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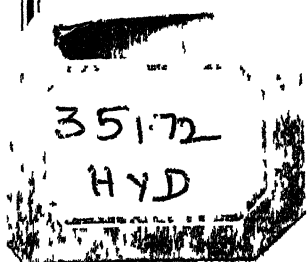


H.E.H. THE NIZAM'S GOVERNMENT
Explanatory Memorandum
on the Budget for the year 1356 F.

(1st October 1946 to 30th September 1947 A.D.)

by

FINANCIAL SECRETARY



HYDERABAD-DECCAN
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Explanatory Memorandum on the Budget*

PART I

REVENUE BUDGET

The statement given below exhibits the probable variations between the Budget and Revised Estimates for 1355 F. and the Revised Estimates for 1355 F. and Budget Estimates for 1356 F.

Heads	Budget Estimates 1355 F.	Revised Estimates 1355 F.	Budget Estimates 1356 F.	VARIATIONS	
				Cols. 2 & 3	Cols. 3 & 4
1	2	3	4	5	6
Revenue Receipts	1582·43	2062·28	2057·64	479·85	— 4·64
Total Service Expenditure ..	1720·40	1600·82	1979·12	— 119·58	378·80
<i>Deduct</i> Expenditure charged to					
Funds and Reserves	— 171·30	— 71·12	— 87·08	— 100·18	15·96
Net Service Expenditure charged to Revenue	1549·10	1529·70	1892·04	— 19·40	362·34
Revenue Surplus	33·33	532·58	165·60	499·25	— 366·98

2. The reasons for variations in the Revised Estimates for 1355 F. and the Budget Estimates for 1356 F. of Revenue and Expenditure are discussed below :—

REVENUE RECEIPTS.

3. The Revenue Estimates for 1355 F. were framed at a time when the War in the Far East had just concluded and it was difficult to foresee the future trend of receipts specially under the heads like Excise and Customs which depend so largely on the general economic conditions. The estimates were, therefore, framed on a conservative basis. However, despite the end of the War, the inevitable time lag in the change over from War to peace economy has resulted in the continuance of most of the factors responsible for the phenomenal rise in Revenue Receipts during the recent years. The scarcity of consumer goods, high level of prices and wages and controls on commodities, etc., still continue as before, though in less acute forms. The result is that the Revenue Receipts in 1355 F. are now estimated at 2062·28 as against the Budget Estimate of 1582·43, thus recording an increase of 479·85. The main increases occur under Land Revenue (24·42), Customs (95·00), Excise (285·00) and Excess Profits Tax (20·12).

4. The Revenue Estimates for 1356 F. have been framed on the assumption that the economic conditions will continue without any appreciable change in 1356 F. The total Revenue Receipts have been placed at 2057·64, recording a small decrease of 4·64 as against the Revised Estimate. The variations between the Revised Estimate for 1355 F. and Budget Estimate for 1356 F. have occurred mainly under the following heads :—

Land Revenue .. ..	..	..	..— 4·00
Forests .. ..	..	..	..— 5·00
Customs .. ..	..	..	.. 5·00
Excise .. ..	..	..	..—10·00

* Figures in this note, except where otherwise indicated, are in lakhs of Rupees (O.S.).

Opium and Ganja	..	..	..— 0·50
Excise Duty on Tobacco	.	..	.. 72·00
Excise Duty on Matches	.	..	..—20·00
Interest	..	..	.. 21·05
Mint	..	..	.. 70·00
Paper Currency	..	..	.. 2·58
Railways	..	..	..—98·68
Excess Profits Tax	..	..	..—40·12

5. These variations are explained below :—

1-A. Land Revenue.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	329·58	354·00	350·00

6. The large increase in Land Revenue during the current year is due to better collections on account of high prices of agricultural produce. The Budget Estimate for 1356 F. provides for a possible contraction in prices and consequent fall in collections.

II-Forests.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	75·00	75·00	70·00

7. The abnormal rise in the prices of timber and other forest produce is likely to show a downward trend next year.

I II-Customs.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	175·00	270·00	275·00

8. The increase in the Customs Revenue is due to the larger imports of piece-goods and yarn and exports of food-grains, cotton, ground-nut, castor-seeds, and oils. The total value of exports and imports during the first 9 months of 1355 F. is 4707·84 as compared with 4088·88 during the corresponding period of 1354 F. The corresponding increase in the duty for the first 9 months amounts to 34·15. It is expected that any decline in the prices in 1356 F. would be counterbalanced by larger imports of consumer goods and exports of castor-seed, oils, ground-nut, etc., and the income would not be affected. The increase of 5·00 in the next year's Estimate represents duty on imports on behalf of the Government departments which were, hitherto, exempt from the payment of Customs Duty.

IV-A. Excise.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	325·00	610·00	600·00

9. The Budget Estimate of Excise Revenue was based on a very cautious basis as it was felt that, with the cessation of hostilities and return of foreign troops and other military personnel, the various factors responsible for increase under this head would gradually show a downward trend. The general price level and consequently the temporary prosperity of ryots and wage-earners, however continues as before and is likely to continue for some time due to the intensification of Government and private activities in the field of Post-War Development. Actual collections during the first 9 months amount to 410·50 and on this basis the Revised Estimate has been placed at 610·00. The Budget Estimate for 1356 F. is based on the available figures of latest auction sales which indicate an upward trend in the prices of Sendhi shops.

IV-B. Opium & Ganja.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	25·00	36·50	36·00

10. The various factors affecting the revenue under Excise are equally responsible for increase in the receipts under this head.

VI-C. Excise Duty on Matches.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	14·00	35·00	15·00

11. The increase in the current year is due to the settlement of some past arrears. The next year's estimate is based on the normal revenue from this head.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	VI-F. Excise Duty on Tobacco.
27·00	28·00	100·00	

12. When the excise duty on Tobacco was first imposed in 1353 F., the total revenue from this head was estimated at about 100·00, but actual receipts during the last 3 years never exceeded 28·00. This was due partly to the inexperience of the subordinate executive staff in this respect and partly to the unmanageable ranges entrusted to the Inspectors and Sub-Inspectors. The department has now proposed complete overhaul of the whole administration, which aims at amalgamation of the Tobacco Excise Staff with the general Excise Staff, narrowing down of the ranges and better control. For this purpose a sum of 13·17 has been provided on the expenditure side. It is expected that the new arrangements would fetch an income of at least 100·00 in 1356 F.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	VIII-A. Interest
161·33	158·95	180·00	

13. The slight decrease in the Revised Estimate is due to the redemption of the 3½ per cent. non-terminable loan of the Government of India in which the holdings of H.E.H. the Nizam's Government amounted to over Rs. 6½ crores. Greater portion of this loan has been converted into the various 3 per cent. loans of the Government of India while a small portion has been kept in reserve in order to take advantage of the offer of conversion by the Government of India. The large increase in the Budget Estimate for 1356 F. is attributable to the loan raised during the course of the year and excess of incomings over outgoings, which has all been invested in suitable Government of India securities.

B. E. 1355 F.	R. E. 1355 F.	B.E. 1356 F.	IX. Mint.
5·00	..	70·00	

14. Before 1353 F., all profits on silver coinage were used to build up O.S. Stabilization Reserve. Since then these profits are credited to the Post-War Development Reserve. In view of the change in the policy regarding the Post-War and Budget Stabilization Reserves, as discussed elsewhere, it is proposed that all profits on coinage should henceforth be taken to Revenue Receipts. The profits for 1356 F. are estimated at 70·00.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	X. Paper Currency.
59·33	59·92	62·50	

15. The increase under this head provides for possible expansion in the paper currency.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	XXXIII. Railways.
185·58	192·68	94·00	

16. The estimate for 1356 F. does not take into account the special contribution which the Railways were required to pay to the general revenues since 1352 F., as the question of its continuance after the War is still under reference to the Railway Board. Besides, the surplus earnings of the Railways, which are equally shared by them with general revenues, are also likely to be less in view of the increase in expenditure.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	XLVII. Excess Profits Tax.
50·00	70·12	30·00	

17. The increase in the proceeds of Excess Profits Tax is due to the acceleration of the programme of assessments and collections during the year. There are still some assesseees, to be dealt with, and it is estimated that the total realizations on this account will amount to about 30·00 in 1356 F. as against 70·12 in the Revised Estimate.

SERVICE EXPENDITURE.

18. The Budget Estimate for 1355 F. provided for a total Service Expenditure of 1720·40, out of which expenditure amounting to 1549·40 was proposed to be charged to the Revenues of the year and the balance of 171·30 was to be met from the following sources:—

1. Post-War Development Reserve.	..	27·00
2. Famine Insurance Fund	..	58·72
3. Road Fund	..	5·00
4. Industrial Trust Fund	..	11·46
5. Savings of non-lapsing grants, etc.	..	69·12

19. The Revenue Surplus was placed at 33·33. In the Revised Estimate the total service expenditure is expected to be 1600·82, thus recording a saving of 119·58. The allocation of expenditure according to the Revised Estimate is as follows:—

1. Current Revenues	..	1529·70
2. Famine Insurance Fund	..	50·24
3. Industrial Trust Fund	..	5·70
4. Road Fund	..	5·00
5. Savings of non-lapsing grants, etc.	..	10·18

The Revenue Surplus thus comes to 532·58.

20. The Budget Estimate for 1356 F. provides for a total service expenditure of 1979·12, out of which 1778·93 is for the standing charges which have increased as compared with the last year's Budget due to fresh sanctions during the year, and 200·19 is for new items enumerated in Appendix (L) to this Memorandum. The allocation of this expenditure to the various sources will be as follows:—

1. Current Revenues	..	1892·04
2. Famine Insurance Fund	..	53·37
3. Industrial Trust Fund	..	8·17
4. Road Fund	..	5·00
5. Savings of non-lapsing grants	..	20·54

21. The variations between the Budget Estimates and Revised Estimates for 1355 F., and the Revised Estimates for 1355 F. and Budget Estimates for 1356 F. under each head are discussed below:—

-A. Land Revenue.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	64·50	63·26	74·05

22. The saving of 1·24 in the Revised Estimate has occurred under Rusooms payable to Maashdars and Rusoomdars which depend on the final settlement of succession cases (—1·21), Salaries and Allowances of District Administration and Land Records (—·50), Non-recurring lumpsum provision for Village Training Centres (—·21), Temporary establishment in the Taluqdari Baghat (—·18), which has been counterbalanced to the extent of ·86 on account of the increase in the scale of contingencies, etc., of the Village Officials. The increase in the Budget Estimate for 1356 F., as compared with the Revised Estimate for 1355 F. is made up of:—·31 due to creation of 104 new posts of probationer patwaris, ·59 due to increase in the conveyance allowance for Girdawars, ·05 due to increase in the discretionary grant of the Hon'ble Revenue Member, ·06 for purchase of tents and furniture for Additional Taluqdar, Warangal, ·14 under Village Officials on account of further increase in the contingencies, ·21 on account of the restoration of the full provision for Village Officials' Training Centre, ·21 for anticipated payment of arrears of Rusooms, ·06 under Taluqdari Baghat for additional establishment, 9·81 for new items and ·33 due to increases under salaries,

allowances, etc. This has been counterbalanced to the extent of .93 by the deletion of non-recurring provision for purchase of furniture, etc. (—·34), deletion of 16 posts of probationary Tahsildars (—·27) and postponement of survey work under Luknavaram Tank (—·32).

The important new items are given below:—

1. Revision of the grades of Patels and Patwaris.. 5·00
2. Social Service Scheme for Backward Tribes .. 1·81
3. Uplift of Backward Tribes 1·21
4. Appointment to the posts of Patwaris who die
heirless 74

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	2. Forests.
17·83	16·51	18·19	

23. The saving of 1·32 in the Revised Estimate is due to the expenditure of 2·62 as against the provision of 3·59 for the reorganization of the department, as the scheme could not be enforced from the very beginning of the year and the original scheme was based on average costs of the salaries. There has occurred a further saving of .35 against the provision of .50 for the supply of timber to the Government of India.

The next year's Budget includes 1·67 for the expansion of forests from the Afforestation Fund, as against .56 included in the current year's Budget which could not be utilized. It also includes .30 for the departmental scholarships, allowances to Chowkidars, training arrangements, etc., as indicated in Appendix (L) and a provision of .58 for 74 Rangers and Sahredars sanctioned during the year. These figures have been counterbalanced by the following decreases:—

1. The Department's experiment to employ, as far as possible, the Government agency for the removal of forest produce has not given the desired results and, therefore, the provision for this purpose has been reduced 37
2. The provision for transport and construction of quarters has also been reduced, in pursuance of the above policy 16
3. The entire provision of .50 for the supply of timber to Government of India has been deleted 15
4. Other Items 19

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	3. Customs.
20·85	20·73	20·76	

24. The slight decrease in the Revised Estimate is due to appointments on initial salaries. The increase of .03 in the next year's Budget is due to provision for establishment at Hakimpet Aerodrome and small increases under contingencies, etc.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	4-A. Excise.
38·13	26·52	36·75	

25. The decrease in the Revised Estimate for 1355 F. is due partly to the fact that against the provision of 14·32 made in the Budget towards payment to the Residency on account of Secunderabad Abkari Funds, a sum of 3·13 only has been paid due to the rendition of Secunderabad from 1st December 1945, and partly to small decreases under T.A., contingencies, etc. The Budget Estimate for 1356 F. includes 13·17 for the reorganization of the department which aims at amalgamation of the Tobacco Duty Staff with the general Excise Staff, revision of the scales of pay and reduction in the extent of ranges entrusted to the Inspectors and Sub-Inspectors.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	4-B. Opium and Ganja.
·96	·80	·80	

The saving in the Revised Estimate as well as the Budget Estimate for next year is due mainly to the reduction of ·15 under compensation on the basis of past actuals.

5-A. Stamps.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	1·89	1·91	1·98

26. The small increase in the Revised Estimate is due to the sanction of two posts of Assistants and some temporary establishment for the Inspector-General's Office towards the end of the year. The increase of ·07 in the next year's Budget is due mainly to the sanction of the establishment referred to above at an average cost of ·22, which has been partly counter-balanced by some decrease under salaries on account of initial appointments and transfer of 4 posts of Sub-Registrars to Major Head 5-B, Registration.

5-B. Registration.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	1·94	1·88	1·99

27. The saving in the Revised Estimate is due to the fact that the additional establishment for the Inspector-General's Office, for which a provision of ·14 was made in the Budget, was entertained towards the middle of the year.

The increase in the Budget Estimate for 1356 F. as compared with the Revised Estimate for 1355 F., is due to the provision for whole year for the additional establishment referred to above, transfer of four posts of Sub-Registrars from 5-A Stamps to this head and inclusion of provision for Secunderabad Offices.

6. Mines.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	1·34	1·86	4·52

28. The increase of ·52 in the Revised Estimate is due to the appointment of Dr. Heron in connection with the survey of Iron Ore fields in Bastar State (·47), restoration of the posts of Nazim and Superintendent, Geological Survey, which were in abeyance (·23), 5 months' expenditure on the new scheme for Geological survey (·17) and deletion of Dr. Heron's salary from the regular Budget (—·35). The Budget Estimate for 1356 F., excludes ·47 for survey of Iron Ore fields in Bastar State, but includes full year's provision for the scheme for Geological survey sanctioned at a cost of ·44. It also includes 1·96 for the reorganization of the Mines Department, ·22 for the purchase of Boring set and other equipment and ·73 for other New Items.

6-F. Excise Duty on Tobacco.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	3·57	3·57	3·63

29. The increase in the Budget Estimate for 1356 F. is due to grade increments.

6-G. Excise Duty on Vegetable Products.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	..	..	·08

30. Provision has been made in 1356 F. for new establishment.

8-A. Interest.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1355 F.
	64·65	72·47	91·30

31. The increase of 7·82 in the Revised Estimate is due to the half-yearly interest payable on the 2½ per cent. Loan 1364·69 F. of the face value of 525·56 raised during the year, larger collections on account of Treasury Bills and increase in the balances of some interest-bearing deposits. Further increase in the Budget Estimate for 1356 F., as compared with the Revised, is due to provision for full year's interest on Loan and interest payable on the Compulsory Savings and E.P.T. Deposits.

8-B. Debt Redemption.	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
	54·31	54·31	50·00

32. Ordinarily, the contribution to the Debt Redemption Reserve should have increased in the Revised Estimate, as fresh loan was raised during the current year ; but the offer for conversion of $3\frac{1}{2}$ per cent. Loan 1355-65 F. into $2\frac{1}{2}$ per cent. Loan 1364-65 F. was so well received that repayments in cash amounted to only 30·05 leaving a surplus of 114·36 in the Debt Redemption Reserve. The surplus is sufficient to cover the annual instalments to the Debt Redemption Reserve for another 3 or 4 years with the present contribution of 50·00. The next year's estimate has been framed after taking this surplus into account.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	8-C. Manage- ment of Public Debt.
..	..	·48	

33. This is a new head opened in the next year's Budget for recording expenditure on the Public Debt Office, which was hitherto booked under Major Head 14-General Administration—Accounts, Audit and Treasuries.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	9. Mint.
1·17	1·16	1·17	

34. There is no appreciable change under this head.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	10. Paper Currency.
4·71	6·05	11·45	

35. The increase in the Revised Estimate for 1355 F., and Budget Estimate for 1356 F., is due to the following fresh sanctions during the year :—

1. The output of one-rupee currency notes in the Press has been raised ·27 in order to meet the abnormal demand for one-rupee currency and, for this purpose, additional establishment has been sanctioned both for the Press and the Mint.
2. Under salaries and allowances for the Police Guard attached to the Currency Section at Central Press. ·17
3. Under contingencies for printing of notes at Nasik Press to meet the abnormal demand of currency notes of higher denominations. 5·63
4. Due to the extra commission charges payable to Government of India for the purchase of paper from Titaghur Paper Mills. ·77
5. Under contingencies for parcel and Railway fares due to the revised indent of currency notes. ·09
6. Due to small increases and decreases under other items. ·07

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	12. Post Offices.
19·40	18·75	19·93	

36. The decrease in the Revised Estimate is due to the appointments on initial salaries as against the average salaries included in the lumpsum provision of 1·87 for the reorganization of the Department during 1355 F. (—·86), and other small decreases in various heads (—·14), counterbalanced to the extent of —·21 on account of the increase in the expenditure on Dearness Allowance consequent on a general increase in the scales of pay of the Department. The increase in the Budget Estimate for 1356 F., as compared with the Revised, has occurred under salaries on account of changes in the grades of menials (·06), increase in the establishment in City and District Post Offices (·27), increase in the interest charges on savings bank deposits (·15), increase in the provision for Dearness Allowance (·50), and other small increases and decreases under various heads (·05). In addition to this the Budget includes ·16 under new items for additional contingent charges.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	13-A. Military Secretary to H.E.H. 13-B. Princes' Expenses. 13-C. Expenses of Nawab Basalat Jah Bahadur.
12·20	12·52	12·71	

37. The increase in the Revised Estimate for 1355 F. and Budget Estimate for 1356 F. is due to the increase in the honoraria of the Walashan Princes and transfer of two posts of Aides-de-camp from Major Head 19 to this head.

38. The increase of ·87 in the Revised Estimate as compared with the Budget Estimate for 1355 F. is the result of the following increases and decreases :—

1.	Due to non-utilization of provision for Peshkar's Tahrir..—	·72
2.	Under Judicial Committee as some of the posts are in abeyance	·70
3.	Under Educational Secretariat, due to appointments on initial salaries	·26
4.	Due to less expenditure on the training of Civilian Officers in British India	·31
5.	Due to non-utilization of lumpsum provision for re-organization of the Dowra Branch of the Accounts Department	·52
6.	Increase in the Peshi establishment, contingencies, etc., of the Hon'ble Member, Public Works Department ..	·12
7.	Increase in the Peshi establishment, contingencies, etc., of the Hon'ble Member, Commerce and Industries ..	·26
8.	Probable expenditure in connection with the newly created Reforms Portfolio sanctioned at a cost of ·46 ..	·30
9.	Increase in establishment, etc., for Judicial Secretariat ..	·14
10.	Under Revenue Secretariat, due to the appointment of the Adviser, Aboriginal Tribes and his establishment and temporary establishment sanctioned in connection with the Destruction of Records and District Conferences ..	·17
11.	Under Political Secretariat, on account of the Temporary Publicity Scheme sanctioned recently at a cost of 1·12 and other small increases	·39
12.	Under Legislative Secretariat, due to the separation of the Secretariat from Legal Adviser's office and sanction of additional establishment at a total cost of ·58. ..	·31
13.	Under Reforms Secretariat, on account of the temporary establishment sanctioned in connection with Reforms ..	1·03
14.	Under Accounts Department, due to the revision of the scales of pay and additional establishment for Pension and Mansabs, etc., sanctioned during the year ..	·68
15.	Increase in the discretionary grants of Hon'ble Members of the Executive Council	·25
16.	Net effect of increases on account of additional establishment, etc., for the various Secretariats and savings under salaries, etc.	·27

The increase of 11·51 in the Budget Estimate for 1355 F. is due partly to the New Items costing 7·08 and partly to the following increases and decreases :—

1.	Reduction of temporary increase in the Sumptuary Allowance of His Excellency the President ..—	·10
2.	Transfer of a part of discretionary grants of Hon'ble Members, Revenue and Education, to Major Head 1-A. Land Revenue and 23-Education ..—	·10
3.	Full year's provision for Reforms Member's post and his Peshi establishment	·35
4.	Four month's provision for the Temporary Publicity Scheme as against 2 in the Revised.	·79

5. Under Commerce and Industries Secretariat, due to the appointment of Industrial and Technical Adviser, conversion of the Joint Secretary's post into that of Additional Secretary and other small increases in T.A., and contingencies	·56
6. Under Legislative Secretariat, due to full year's provision for additional establishment	·27
7. Due to full year's provision for the Judicial Committee establishment	·76
8. Under Constitutional Affairs Secretariat, due to creation of a Deputy Secretary's post and his establishment ..	·29
9. Due to 4 month's provision for temporary establishment under Reforms Secretariat	·97
10. Under Post-War Planning Secretariat, due to increase in the salary of Secretary and other small increases in contingencies, etc.	·18
11. Under Accounts Department on account of full year's provision for increase in the scales of pay and additional establishment	·44
12. Increase in the contribution to the Rural Welfare Trust Fund as per standing arrangement	1·50
13. Grade increments and small increases under various heads	1·79
14. Due to the transfer of the provision for Public Debt Office to Major Head 8-C Management of Public Debt ..—	·27
15. Probable savings	3·00

The details of New Items are given below :—

1. Reserve for expenditure in connection with constitutional discussions	·50
2. Reorganization of the Publicity Branch of Political Secretariat	2·61
3. Lumpsum provision for the Schemes of Statistics Department	2·00
4. Reorganization of Fisheries Department	·56
5. Additional establishment, contingencies, etc., for Commerce and Industries, Rural Reconstruction, Labour and other Secretariats	1·71

B. E. 1355 F.

R. E. 1355 F.

B. E. 1356 F.

11·48

23·20

22·44

15. Political charges.

39. The large increase in the Revised Estimate is due mainly to the sanction of 2·10 for the purchase of motor cars for Amira and expenses in connection with participation of Hyderabad in the constitutional discussions.

The Budget Estimate for 1356 Fasli excludes these items, but includes ·32 for four months provision for Temporary Publicity Scheme, ·17 for purchase of Film Projectors, 9·29 for the following New Items, and ·27 for other small increases.

1. Purchase of motor vans for publicity purposes at a total cost of B.G. 2·00	1·50
2. Reorganization of the Information Bureau	7·72
3. Additional grant to United Press of India & Orient Press of India	·07

B. E. 1355 F.

R. E. 1355 F.

B. E. 1356 F.

1·06

1·14

1·03

15-A. Agent Berar.

40. No remarks.

B. E. 1355 F.

R. E. 1355 F.

B. E. 1356 F.

55·39

61·77

61·50

16. Pensions.

41. The Revised Estimate for 1355 Fasli and Budget Estimate for 1356 Fasli are based on the actuals of 1354 Fasli, which amount to 59·30, and trend of actuals during the current year. There has been steady increase under this head due mostly to the restriction on extensions after the date of superannuation.

18. Mansabs.	B. E. 1355 F. 17·21	R. E. 1355 F. 17·20	B. E. 1356 F. 17·15
19. Military.	42. No remarks.		
	B. E. 1355 F. 64·92	R. E. 1355 F. 70·78	B. E. 1356 F. 158·62

43. This head consists of the following Minor Heads :—

	Budget Estimate 1355 F.	Revised Estimate 1355 F.	Budget Estimate 1356 F.
(a) Regular Forces (Permanent)	35·86	51·25	66·91
(b) Nazm Troops (Irregular Forces)	29·06	19·53	25·14
(c) Regular Forces (Temporary)	..	..	66·37
Total	64·92	70·78	158·62

Variations under each Minor Head are discussed below :—

(a) *Regular Forces (Permanent).*

44. The increase in the Revised Estimate is made up of 15·00 on account of enhanced rates of feed and ration which has been charged to the reserve of 22·00 kept under M.H. 43, in the current year's Budget, ·40 on account of the reorganization of the Army Medical Service ·44 on account of the reorganization of the Army Ordnance Depot at the total cost of 1·23, —·27 on account of the reorganization of the 3rd Golconda Lancers and ·17 due to small increases under the various heads.

Further increase of 1·43 in the next year's Budget, as compared with the Revised Estimate for 1355 F., is due to ·25 on account of the renewal of the subsidy to the Polo Club, ·73 under Army Ordnance Depot as explained above, ·08 under Army Medical Service as explained above, —·07 under 3rd Golconda Lancers as explained above, ·44 on account of grade increments and other small increases under various heads and 6·19 for the following New Items :—

1. Lumpsum provision for various schemes of the Regular Forces	5·00
2. Additional establishment, etc., for the Army Headquarters	·45
3. Provision for clothing of the repatriated personnel	.. .. .20
4. Other new items	.. .. .54

(b) *Nazm Troops (Irregular Forces).*

45. The saving of 9·53 in the Revised Estimate is due partly to the non-utilization of the lumpsum provision of 4·00 for reorganization of Nazm Troops and partly to the saving of 5·50 on account of unfilled posts. The lumpsum provision has been repeated in the next year's Budget, but a lumpsum cut of 4·00 has been applied for probable savings on account of unfilled posts.

(c) *Regular Forces (Temporary).*

46. The variations under this head have been discussed under M.H. 43-War Expenses.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	20. Courts.
25·54	23·38	28·90	

47. The decrease in the Revised Estimate is due to the non-utilization of (1) the non-recurring provision of 1·94 for payment of arrears of salaries to 1st class Munsiff's and (2) provision of ·25 for the purchase of legal journals and books.

Both these items have been regranted in the next year's Budget, which also includes ·25 as fresh grant for purchase of legal journals and books, 1·22 for Secunderabad Courts, 1·53 for additional establishment, contingencies, etc., for High Court and ·52 for small increases under various heads.

B.E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	21. Jails.
7·67	6·46	7·88	

48. The decrease of 1·21 in the Revised is due to the delay in enforcement of the scheme for reorganization of Jails, for which a sum of ·37 was shown as a New Item in the current year's Budget (—·20), and saving under dietary charges of prisoners (—1·01). The increase of 1·37 in the next year's Budget, as compared with the Revised, is made up of the following items :—

(1) Full Provision for reorganization scheme	..	..	·20
(2) Provision for Secunderabad Jails	..	..	·84
(3) Additional grants for contingencies, etc.	..	..	·30
(4) Net effect of other increases and decreases	..	..	·03

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	22. Police.
65·88	70·80	90·70	

49. In the Budget Estimate for 1355 F., a sum of 1·70 was deducted from the total on account of the probable savings under salaries of City and District Police. From the figures now available it is estimated that these savings would amount to 3·25. The Budget Estimate for 1356 F. provides for a lumpsum cut of 4·00 on similar grounds. The increase of 4·92 in the Revised is made up of : 4·53 on account of house rent allowance sanctioned for the Police Force towards the end of last year, ·42 on account of fresh sanction of ration to District Police Force, 3·50 due to sanction in the middle of the year of the expenditure in connection with the revision of the scales of District Police Force for which a sum of 7·76 is being included in the next year's budget, ·93 due to the grade increments and increase in T.A. and contingent grants, —3·25 due to the savings under salaries as explained above, —·13 due to reduction in the emoluments of the present Director-General of Police as compared with his predecessor, —·34 due to less expenditure under provision for Second Officers for which a sum of ·41 was included in the current year's Budget, —·05 under Lalaguda Police Force, —·20 due to non-utilization of the Reserve for traffic out-posts, —·07 under Lingal Schools for Boys and Girls, —·09 under Police Training School, —·22 under the office of Director-General, District Police, —·11 Under contingencies on the basis of actuals.

The increase of 19·90 in the Budget Estimate for 1356 F. is due to 4·26 on account of the full provision of 7·76 for revision of scales of District Police Force, ·04 for increase in the pay of Deputy Director-General of Police, C.I.D., ·04 for increase in the provision for reward to informers, ·34 on account of full provision for Second Officers, ·20 on account of restoration of reserve for traffic outposts, ·08 for provision for contingencies of Mint Police which was hitherto met from the City Police, ·08 for increase in the contingencies of the City Police, ·18 on account of restoration of full provision under Lalaguda Police and Police Training School, ·13 for small increases in T.A., and contingent grants, ·85 for grade increments, 2·92 for Secunderabad Police, 6·25 for Internal Security Scheme transferred from M.H. 43-

War Expenses to this head, 5·66 for New Items enumerated in Appendix (L), —·12 on account of transfer of provision for Lingal Schools for Boys and Girls to Major Head 23—Education, —·26 on account of reduction of non-recurring increase in the provision for dress of the District Police Force, —·75 for probable savings under salaries as explained above.

23. Education.

B. E. 1355 F.

R. E. 1355 F.

B. E. 1356 F.

213·80

140·73

258·97

50. The table below exhibits the position of the various important heads of Education :—

Heads	BUDGET ESTIMATE 1355 F.			REVISED ESTIMATE 1355 F.			BUDGET ESTIMATE 1356 F.		
	Stand- ing	New Items	Total	Stand- ing	New Items	Total	Stand- ing	New Items	Total
1	2	3	4	5	6	7	8	9	10
General Education ..	100·16	35·04	135·20	91·71	4·54	96·25	135·76	34·52	170·28
Osmania University ..	24·42	13·33	37·75	24·42	2·83	27·25	38·70	9·04	47·74
Foreign Scholarships ..	..	15·00	15·00	..	4·00	4·00	15·00	30·00	45·00
Agricultural College ..	..	12·00	12·00	..	·50	·50	3·05	..	3·05
Nizam College ..	3·88	..	3·88	3·48	..	3·48	3·75	2·04	5·79
Technical and Industrial Schools ..	8·94	..	8·94	8·22	..	8·22	10·24	17·40	27·64
Other Heads ..	1·03	..	1·03	1·03	..	1·03	1·99	·27	2·26
Total ..	138·43	75·37	213·80	128·86	11·87	140·73	208·49	93·27	301·76
Deduct probable saving ..	..	..	..	..	..	..	—17·00	—25·79	—42·79
Grand Total ..	138·43	75·37	213·80	128·86	11·87	140·73	191·49	67·48	258·97

51. *General Education* :— The current year's Budget of the Education Department included an additional recurring grant of 30·88 and non-recurring grant of 4·16 for the reorganization and expansion of the various types of schools and revision of the scales of pay of low-paid teachers on the following lines :—

1. Establishment of new High Schools for Boys and Girls ..	4·25
2. Establishment of new Middle Schools for Boys and Girls ..	2·05
3. Additional establishment for 200 New Primary Schools for Boys and 100 for Girls, at places having a population of 1,000 and more ..	3·30
4. Conversion of 396 one-teacher schools into two-teacher schools, 800 two-teacher schools into three-teacher schools, 400 three-teacher schools into four teacher schools ..	8·65
5. Revision of the scales of pay of Primary School Teachers ..	5·32
6. Depressed Classes' Education ..	1·00
7. Grants to Private Schools ..	5·50
8. Purchase of furniture, etc., for the Schools ..	2·00

The Department had given an assurance that all these schemes will be implemented from the academic year beginning in 1354 F. but most of the schemes were sanctioned in the course of 1355 F., with the result that a saving of 30·50 is expected under this head, against the total grant of 35·04.

[Statement.]

In addition to the full provision for the above items, the next year's Budget for General Education includes the following fresh items :—

Se- rial No.	Scheme	Recurring	Non- recurring
1	Expansion and reorganization of High Schools (Girls & Boys) ..	2·17	·29
2	Expansion and reorganization of Middle Schools (Girls and Boys)	2·47	·16
3	Expansion of Primary Schools (Girls and Boys) ..	2·28	..
4	Compulsory Primary Education	10·00	..
5	Reorganization of Primary Schools (Girls and Boys) ..	2·07	·09
6	For the Depressed Classes' Education	·20	..
7	Training of Teachers and Women Teachers and increase in grants for equipment, etc., of special schools	2·52	·52
8	Fresh posts of Inspectress of Schools, and additional establishment, etc., in existing offices, Educational Advisory Board, and Director's office	1·76	·53
9	Increase in provision for 'Riyayathi' scholarships	1·40	..
10	Establishment of an Inspector's office, etc., for Secunderabad Schools	1·09	·09
11	Grant for Adult Education	1·50	2·50
12	Establishment of Majidia Girls' High School with Hostel (sanctioned during the year)	·76	·40

52. *Osmania University*.—The Budget Estimate of the Osmania University for 1355 F., included the following fresh items :—

1.	Reorganization of the Registrar's office	1·11
2.	Establishment of a Research Institute of Science	6·20
3.	Additional establishment for the Medical College	·73
4.	Additional establishment for the City Intermediate College	1·82
5.	Additional establishment for Intermediate Colleges, Gulbarga and Aurangabad	·53
6.	Additional grant for boarding houses and dispensary	2·94

The Registrar's office has been reorganized, as contemplated, and amalgamated with the University office.

The Research Institute is expected to start functioning from this year.

All these items were sanctioned during the current year with the result that no expenditure could be incurred during the last academic year and a saving of 10·50 is expected under these heads.

The Budget Estimate for 1356 F. includes full provision for the above items and also the following amounts for revision of the grades of Lecturers, increase in the number of Lecturers, Professors and Establishment, etc., in the various colleges :—

Se- rial No.	Colleges	Recurring	Non- recurring
1	Osmania University	1·11	1·99
2	Intermediate Colleges	1·81	1·84
3	Women's College	1·23	1·15
4	Women's Intermediate College, Nampalli	·18	·20

53. *Technical Education.*—The Budget Estimate for 1955 F. did not include any particular new items for Industrial and Technical Education. The next year's Budget, however, includes fresh provision for the following :—

Serial No.	Items	Recurring	Non-recurring
1	Reorganization of the office of the Director of Technical Education ..	·30	·15
2	Reorganization and expansion of Boys' Industrial Schools ..	2·39	4·67
3	Reorganization and expansion of Girls' Industrial Schools ..	·20	·40
4	Establishment of New Boys' Industrial Schools ..	2·45	1·00
5	Establishment of New Girls' Industrial Schools ..	·51	·29
6	Establishment and Reorganization of Agricultural School ..	·30	·50

Educational Scholarships.—In order to meet the Post-War demands for qualified technical hands, the Budget Estimate for 1955 F., included a sum of 15·00 for the grant of foreign scholarships to 106 students and deputation of 68 Government officers of the various departments, to Europe and America, for higher studies. A moiety of this grant was proposed to be charged to the Post-War Development Reserve. Due to the difficulties in securing admissions in foreign Universities and priority about passage, nearly 105 persons are expected to proceed to England and America till the end of the year and the rest will be proceeding as and when the conditions permit. The next year's Budget includes provision for 200 additional scholarships and deputation allowances.

54. *Nizam College & Madarsa-i-Aliya.*—The next year's Budget includes provision of 2·03 for the reorganization of the Madarsa-i-Aliya on the lines of a Public School in England.

55. *Agricultural & Veterinary Colleges.*—A non-lapsing grant of 15·00 was included in the Budget for 1954 F. for the establishment of a College of Agriculture and Animal Husbandry, out of which 12·00 were regranted in the current year. The Government has recently sanctioned the following two schemes against this grant.

- (1) Establishment of Agricultural College at a cost of 1·43 recurring.
- (2) Establishment of Veterinary College at a cost of 1·03 recurring and ·50 non-recurring.

Both these items are included in the Budget Estimate for 1956 F.

56. Apart from the grants for school buildings, etc., under capital, the total provision available for the Education Department in 1956 F., works out to 301·76 ; but, in view of the usual administrative delays and other factors resulting in heavy lapses in 1955 F., it is expected that the total expenditure under this head will not exceed 258·97.

14. Medical and Public Health.	B.E. 1955 F.	R.E. 1955 F.	B.E. 1956 F.
	66·18	53·50	81·00

57. The Budget Estimate for 1955 F. included the following new items :

Item	Recurring	Non-recurring
1. Anantagiri Sanatorium	1·59	·62
2. Revision of scales of Medical Services ..	1·28	..
3. Establishment of two Mobile Units ..	3·14	1·54
4. Prevention of Malaria in Tungabhadra Project Area	·38	..
5. Reorganization of Surgical Ward in the Unani Hospitals	·09	·03
6. Establishment of two Ayurvedic Hospitals ..	·20	..

Besides these new items, the Department had been given additional grants aggregating 3·54 for bedding, clothing and dietary charges of the patients and purchase of medicines. The activities of the Department, however, were held up due to delays in the administrative sanctions of items 1, 2 and 3 and shortage of Medical graduates and other trained personnel and difficulties in the procurement of lorries, medicines and other equipment. This has resulted in heavy lapses as indicated in the Revised Estimate. The Savings have occurred mainly under the following items :—

1. Anantagiri Sanatorium Scheme	— 2·21
2. Revision of scales of Medical Services	— 1·28
3. Establishment of two Mobile Units	— 4·20
4. Non-utilization of the additional grants for dietary charges bedding and clothing of patients and purchase of medicines	— 2·25
5. Grant-in-Aid to Local Fund	— 1·00
6. Provision for establishment in the Local Government Secretariat in connection with Local Fund Hospitals ..	— ·83
7. Anti-Malaria Schemes :— Viqarabad, Dindi Project, Tungabhadra Project, Lakhnavaram	— ·79
8. Net effect of other items	— ·12

The Budget Estimate for 1355 F. includes all the above items. The increase in the Budget Estimate for 1356 F., as compared with the Revised Estimate for 1355 F., is made up of the following :—

1. Full provision for items 1 to 7	12·56
2. Reduction of the special allotment for King Kothi Mubarak Dispensary	— ·75
3. Additional provision for purchase of medicines ..	·72
4. Provision for establishment of Village Dispensaries ..	·86
5. Additional establishment for Anantagiri Sanatorium ..	·05
6. Additional Nurses and Ward-boys and bedding in the various Hospitals	4·00
7. Opening of Leprosy Centres, etc., in Districts ..	1·00
8. Training charges of Nurses	·56
9. Provision for payment of past arrears of medicines ..	1·23
10. Provision for Ear, Nose and Throat Diseases Dispensaries .	2·00
11. Increase in the provision for Contagious Diseases Hospitals	·52
12. Other New Items as per Appendix (L)	1·10
13. Provision for grant-in-aid to K.E.M. Hospital, Secunderabad	3·50
14. Net effect of initial appointments, grade increments and other small increases and decreases	·04

B.E. 1355 F.

10·42

R.E. 1355 F.

10·53

B.E. 1356 F.

13·45

25. Ecclesiastical.

58. The increase in the Revised Estimate is due to the grants of B.G. ·05 each for the pilgrims to Benares and poor classes of Iraq. Further increase in the next year's Budget is on account of provision of 3·33 for Lighting arrangements at Haramain-e-Sharifain.

B.E. 1355 F.

18·75

R.E. 1355 F.

10·85

B.E. 1356 F.

24·58

26. Agriculture

59. The Budget Estimate for 1355 F. included the following fresh items :—

	Recurring	Non-recurring
1. Scheme for systematic crop weather observations on sugar cane	·02	..
2. Scheme for cultivation of important fruits ..	·45	·05
3. Scheme for establishment of Nursery and Training Classes	·08	·01
4. Scheme for cultivation of Jaiwanth Cotton ..	·12	·03
5. Installation of Pumping Set at Dhariesagar Farm	·23	..
5. Reorganization of Marketing and Survey Staff..	·09	..
7. Lumpsum provision for schemes under examination .. .. .	..	5·00

60. Items 1 and 2 have not so far been sanctioned while item 5, which relates to the maintenance charges of the pumping plant at Dhariesagar Farm, could not be utilized as the pumping set has not so far been installed. Items 3, 4 and 6 have been sanctioned and the provision is expected to be utilized in full. The lumpsum provision of 5·00 was meant for the schemes of the Department which were under consideration. Some of the important schemes are as follows :—

1. Establishment of seed farm for the multiplication of pure seeds of improved varieties ..	·86	2·56
2. Extension of experimental work in districts ..	·94	·07
3. Schemes for collective agricultural improvement	6·85	..
4. Appointment of Plant Protection Staff ..	·17	·90
5. Compost Schemes	1·60	·03
6. Extension of Fruit Research Scheme ..	1·11	1·02

All these schemes are still pending final sanction of Government. It is expected that the expenditure under the above items will not exceed ·25 during the current year, thus resulting in the saving of 5·77.

61. The large saving in the Revised is due partly to the non-utilization of funds as explained above and partly to variations under the following items :—

1. The non-recurring provision of ·60 included in the Budget for Plant Pathologist's Laboratory could not be utilized as estimates of the building have not yet been completed by Public Works Department	—	·60
2. The Madhra Farm and the Agricultural Schools buildings have also not, so far, been constructed	—	·44
3. In the absence of the farm building the provision for establishment and the equipment for Madhra Farm would not be fully utilized	—	·64
4. Non-utilization of the provision for 30 per cent. increase in the running expenses of the Farms	—	·36
5. The activities of the Propaganda Branch of the Department were retarded, as some of the officers were under suspension	—	·62
6. Net effect of increases and decreases under other items ..	..	·14

62. The increase of 13·73 in the Budget Estimate for 1356 F. over the Revised Estimate for 1355 F. is made up of :—

1. Restoration of the provision for equipment, etc., for the Plant Pathologist's Laboratory	·10
2. Full provision for agricultural propaganda activities ..	·62

3.	The provision of 5·00 for schemes under consideration has been repeated as the schemes are likely to be sanctioned and enforced next year. This includes provision for grant to the Hyderabad Chemicals and Fertilizers Ltd. for purchase of Bone Super	5·00
4.	Restoration of the temporary increase of 30 per cent. in the operating charges of the Farms	·36
5.	Increase in Marketing Officers' pay	·04
6.	Increase under printing charges	·05
7.	Purchase of 15 Tractors and other recurring expenses	9·23
8.	Transfer of provision for the scheme of Agricultural Statistics from M.H. 43 to this head	1·11
9.	Net effect of increases and decreases under other heads	·22
10.	Lumpsum cut on account of probable savings	—3·00
	B. E. 1355 F.	18·97
	R. E. 1355 F.	7·02
	B. E. 1356 F.	18·78
		27. Veterinary.

63. Besides the normal grants, the Budget Estimate for 1355 F. included a sum of 6·04 recurring and 5·95 non-recurring on account of the following New Items of the Veterinary Department:—

Items	Recur- ring	Non- recurring	Total
1. Increase in the provision of inoculation charges from ·25 to ·50	·25	..	·25
2. Additional grant to Cattle Breeding Farm at Himayat Sagar	1·05	·46	1·51
3. Establishment of Cattle Breeding Farms at Karimnagar and Raichur	·76	2·20	2·96
4. Establishment of Deoni Cattle Breeding Farm at Udgir	·55	1·00	1·55
5. Establishment of Goat Farm at Osmanabad	·09	·31	·40
6. Establishment of Buffalo Breeding Farm at Aurangabad	·82	1·14	1·96
7. Establishment of Sheep Farm at Raichur	·12	·42	·54
8. Establishment of Sheep Farm at Mahbubnagar	·12	·42	·54
9. Registration of Deoni Cattle and Milk Recording	·27	..	·27
10. Laboratory Expenses	2·00	..	2·00

The Department, however, could not implement any of these Schemes due to the delays in administrative sanctions which have been received only recently with the result that Revised Estimate indicates a saving of 11·95. These Schemes are now being started and are expected to come into full swing next year. The Budget Estimate for 1356 F. includes full provision for recurring charges as well as the non-recurring items, as it is difficult for the Department to procure necessary equipment, etc., during the remaining months of the year.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	28. Co-operative.
12·86	7·05	11·45	

64. The large saving in the Revised is due to the administrative and other difficulties in the way of implementing the scheme for the expansion of the Department, for which a sum of 7·09 was included in the Budget. The Budget Estimate for 1356 F., includes full provision on the basis of actual salaries, but excludes the non-recurring grant of ·87.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	29. Miscellaneous & Minor Departments.
7·06	6·78	8·79	

65. This head records expenditure on District Observatories, Archaeology, Broadcasting, Electrical Inspector, etc. The saving of ·27 in the Revised Estimate is due mainly to non-utilization of the provision of ·25 kept for

Aviation, as there were surplus funds in the budget of Air Routes Division. The increase in the Budget Estimate for 1356 F. is due to the restoration of the above provision which will be required next year, and the following :—

1. Additional establishment, T.A., contingencies, etc., for Archaeological Department 16
2. Additional provision for purchase of furniture, crockery, etc., for Broadcasting Stations 06
3. Additional posts of a Sub-Engineer and an Accountant and printing of posters, etc., under the Electrical Inspector 03
4. Transfer of provision for Directorate of Resettlement and Employment from M.H. 43-War Expenses to this head 90
5. Compensation for land near Bahmani Tombs 16
6. Excavation work at Kondapur, etc., 30
7. Other items 12

30. Municipalities & Public Improvements.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
37·34	25·24	62·38

66. The saving of 12·10 is due mainly to the slow progress of works under various items the details of which are given below :—

1. City Improvement Board (Works and Compensations) .. — 2·53
2. Hyderabad Water Works 56
3. Hyderabad Drainage Scheme 30
4. Hingoli Water Works (the whole grant has lapsed) 70

The Budget Estimate for 1356 F. includes full provision for the above items and also the following fresh items :—

1. Loan instalment to the City Improvement Board for construction of low-rent houses 5·00
2. Lumpsum provision for subvention to the Secunderabad Cantonment Board as explained below 9·92
3. Grant to the Town Improvement Trust, Secunderabad .. 3·00
4. Provision for Fire Service Scheme transferred from M. H. 43-War Expenses to this head 9·09

Rendition of Secunderabad.

67. The rendition of Secunderabad area to H.E.H. the Nizam's Government on the 1st December 1945 has affected the Revised Estimate of the current year and the Budget Estimate for 1356 F. in the following manner :—

68. According to the agreement of 1911, H.E.H. the Nizam's Government paid to the Residency a portion of their Abkari receipts based on a certain formula. The Budget Estimate for 1355 F. provided for the payment of a sum of 14·32 to the Residency on this account. This payment will not now be necessary; but according to the agreement with the Crown Representative, H.E.H.'s Government will have to meet the actual deficit in the Budget of the Retained Area and also the entire expenditure on Courts, Police, Jails, etc., in the Restored Area. The receipts from Stamps, Registration, etc., have also been taken over by H.E.H. the Nizam's Government from the date of rendition. The expenditure of the Civil Area was originally placed at :—

1. Receipts (including the Abkari receipts) 17·45
2. Expenditure 15·75

69. The receipts have been accounted for in the Revised Estimates of the respective revenue heads. The expenditure figure has, however, risen by 6·53 on account of the following :—

1. Additional establishment, contingencies, etc., for the newly established offices of the Deputy Commissioner, Police, Civil & Criminal Courts, Jails, etc.
2. Additional Police Force.

3. Grant of .30 to the newly established Municipality of the Restored Area for initial expenses in connection with the establishment of the Municipality and 1.48 to meet the deficit in their budget for the current year. It is expected that, with the introduction of new taxes and revision of the existing taxes, the Secunderabad Municipality would become self-supporting from next year.

4. 1.50 towards dust-proofing of the Chaderghat Road which connects Mushirabad and Secunderabad.

5. A further grant of 3.00 for two years for the Town Improvement Trust.

70. The expenditure on items 3, 4 and 5 will be booked under Major Head 30-Municipalities and Public Improvements. The next year's Budget includes the following items under Major Head 30-Municipalities and Public Improvements :—

1. A lumpsum provision of 9.92 towards annual subvention payable to the Residency in connection with the Budget of the Retained Area.

2. A sum of 3.00 towards the second instalment of the grant to the Town Improvement Trust.

The other items of Civil Administration have been shown under Major Heads concerned.

B. E. 1355 F.

R. E. 1355 F.

B. E. 1356 F.

31. Buildings & Communications.

123.63

84.46

136.92

71. This head comprises the following main items :—

Items				B.E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
1.	Establishment charges	..	..	25.33	21.30	27.28
2.	Original works :					
	(a) Communications	..	..	26.40	13.04	18.94
	(b) Buildings	..	..	26.82	9.61	26.24
3.	Repairs to Buildings and Communications	..	..	18.80	45.34	69.46
4.	Tools and Plant	..	..	1.90	.79	1.90
5.	Adjustments (Net)	..	..	— 5.62	— 5.62	— 6.90

72. The variations under each item are discussed below :—

Establishment Charges.—Before the bifurcation of the Department into Buildings and Communications, and irrigation Branches, the total establishment charges were provided for under this head and a portion, thereof, in proportion to the irrigation works expenditure, was transferred to Major Head 32-Irrigation, but the classification has now undergone a slight change and expenditure is being directly booked under that head. The actual establishment transferred to the Irrigation Branch is, however, more than the establishment which was budgeted for, hence the decrease in the Revised Estimate. The next year's Budget includes a non-recurring provision of 6.00 for equipment, etc., for the Director, Engineering Research.

Original Works.—The heavy lapses in the Revised Estimate are due to the difficulties in the procurement of materials as well as labour, which is reluctant to do P.W.D. works in preference to Industrial and Agricultural works where higher wages are paid. The rates were raised during the year by 60 per cent. in the case of roads, 50 per cent. in the case of buildings, and 25 per cent. in the case of tanks and canals but even these enhanced rates have not been able to attract labour in sufficient number, which has resulted in these large savings. The next year's Budget provides for all works in progress but it does not include any new items as the policy has been changed.

Till 1354 F. the principle governing the allocation of expenditure as between capital and revenue was that all works excepting the following were charged to revenue :—

- (a) Works relating to Commercial Departments.
- (b) Residential buildings and quarters, and
- (c) Works in connection with a large programme of construction which could not easily be financed from the current revenue.

In the Budget Estimates for 1355 F., however, all original works relating to the nation-building departments like Education, Medical and Public Health, Agriculture and Forests (irrespective of the estimates) were charged to capital. The policy has undergone a further change and in the next year's budget all original works, the cost of which exceeds 1·00 have been transferred to capital.

Periodical and Special Repairs : Buildings and Communications.—The increase in the next year's budget as compared with the Budget Estimate and Revised Estimate for the current year is due mainly to the enhancement in the rates as indicated above which was sanctioned during the current year and the cost of which is estimated at 21·92.

Tools and Plant.—The saving in the Revised Estimate is due to the difficulties in the procurement of necessary tools and plant. The grant has, however, been repeated in the next year's Budget as the conditions are expected to improve.

Adjustments.—The adjustments in the current year were made up of 5·00 on account of Road Fund Works chargeable to Major Head 42-Road Fund and ·62 on account of the cost of Secretariat establishment transferred to Major Head 14-General Administration. The next year's Budget provides —6·90 for these adjustments.

32. Irrigation.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
27·41	24·28	37·50

73. This head consists of the following main items :—

	Budget Estimate 1355 F.	Revised Estimate 1355 F.	Budget Estimate 1356 F.
1. Establishment Charges	5·82	6·64	7·61
2. Irrigation Branch—Buildings and Roads ..	1·60	·89	2·47
3. <i>Tanks and Canals :—</i>			
(a) Original works	7·46	5·59	9·19
(b) Repairs	9·68	7·78	12·31
4. Maintenance charges of tanks, canals, etc., charged to Capital	3·98	3·50	5·88
5. Tools and Plant	·20	·01	·50
6. Adjustments, etc.	— ·13	— ·13	— ·46

74. The variations are explained below :—

Establishment Charges.—The increase in the Revised Estimate is due to the transfer of actual expenses as explained under Major Head 31-Buildings and Communications. The increase in the Budget Estimate for 1356 F. is due to the increase in establishment, consequent on the bifurcation, and provision for Hydro-Electric Survey Scheme.

I.B. Buildings and Communications.—The increase in next year's Budget is due to additional provision for small original works and repairs.

Tanks and Canals—Original.—The saving in the Revised Estimate for 1355 F., is due to the difficulties about labour and material, while next year's Budget includes normal provision as the Department is now trying to accelerate the programme.

Tanks and Canals—Repairs.—The saving in the Revised Estimate is due to slow progress of work for want of sanction to the enhanced rates. The Budget Estimate for 1356 F. includes 2·79 for enhancement of rates and additional provision for periodical and special repairs.

Maintenance Charges.—The increase in the Budget Estimate for 1356 F. is mainly due to provision for new works brought under maintenance and transfer of maintenance establishment of projects from the head “Establishment” to this head.

Adjustment.—The increase in 1356 F. is due to the increase of ·33 in the Secretariat establishment.

B.E. 1355 F.	R.E. 1355 F.	B.E. 1356 F.	33. Railways
·82	·58	2·68	

75. The decrease of ·24 in the Revised Estimate is due to the partial abolition of temporary police from March 1946.

The increase in the Budget Estimate for 1356 F. is due to the enhancement in the provision for war and dearness allowances (i.e., 3/10ths share of H.E.H. the Nizam's Government, towards the same).

B.E. 1355 F.	R.E. 1355 F.	B.E. 1356 F.	38. Industries.
4·60	3·50	18·62	

76. The Budget of the Commerce and Industries Department has risen from 3·70 in 1354 F. and 4·60 in 1355 F. to 18·62 in 1356 F. The Department has been reorganized and expanded during the year at a cost of ·99. The next year's budget includes provision for the following :—

(1) The Department intends taking up next year the new schemes for Reorganization of the Cottage Industries Sales Depot, Conversion of the existing Village Industries Training Centres into a Model Research and Experimental Workshop of hand-loom industry and Establishment of the Industrial Engineer's Workshop. The total cost of these schemes is estimated at 10·00 but it will take some time before the schemes are finalized and implemented and, therefore, a sum of 2·00 has only been included in the Budget.

(2) The Weights and Measures Scheme, for which a token sum of ·86 was included in the current year's budget, will be enforced next year as the Bill has been approved by the Legislative Council and is awaiting H.E.H.'s sanction. The Budget Estimate for 1356 F. includes 1·33 for recurring expenses and 4·58 for technical equipment and other non-recurring charges.

(3) The Budget Estimate for 1356 F. also includes 6·35 from General Revenues and 13·00 as an advance for the development of hand-loom industries in the districts.

B.E. 1355 F.	R.E. 1355 F.	B.E. 1356 F.	38-A. Industrial Research Laboratory.
18·43	3·23	18·43	

77. The Industrial Research Laboratory was established in 1354 F. with a recurring grant of 2·00 (1·50 from Post-War Development Reserve and ·50 from Industrial Trust Fund) and a non-recurring grant of 15·00 (10·00 from Post-War Development Reserve and 5·00 from Industrial Trust Fund) and the following two grants were also placed under the control of the Governing Body of the Laboratory :—

- | | | |
|---|---------|-----|
| (1) Grant for Industrial Laboratory formerly kept under Major Head 38-Industries | .. .. . | ·76 |
| (2) Grant of the Scientific and Industrial Research Board, formerly kept under Major Head 43-War Expenses | .. .. . | ·67 |

The activities of the Laboratory have been considerably retarded due to the difficulties in the procurement of scientific equipment, apparatus and technical books from abroad and appointment of qualified technical and administrative staff, with the result that the non-recurring grant of 15·00

remains almost untouched. Orders for equipment have already been placed in the United Kingdom and the United States of America to the tune of £ 16,680 and \$ 11,373 and it is expected that deliveries will be received during the course of the next year. Steps are also being taken for the appointment of qualified technical and administrative staff.

The next year's budget includes a regrant of non-recurring provision but in pursuance of Government's present policy regarding reserves it has now been decided to charge the Government's contribution of 1·50 to the recurring grant to general revenues instead of to the Post-War Development Reserve.

40-A Famine.

B.E. 1355 F.

R.E. 1355 F.

B.E. 1356 F.

58·72

50·24

53·37

78. This head consists of the following items :—

	B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.
(1) Well Sinking Department	24·00	16·00	24·00
(2) Completion of Roads	8·72	10·69	6·51
(3) Manair Project	15·00	14·00	10·00
(4) Chandrasagar Project	1·50	2·41	3·87
(5) Sakat Project	2·00	·10	2·00
(6) Rooty Tank Project .. .. .	..	·10	·46
(7) Dindi Project	1·86	..	..
(8) Approach Roads under Dindi and Manair	1·10	1·06	1·03
(9) Pumping set for Farm at Dhariesagar	·91	1·00	1·13
(10) Relief Works in Raichur Division .. .. .	..	4·00	1·00
(11) Other Items	3·55	·80	3·23
(12) Revenue Secretary's Establishment	·08	·08	·14
Total	58·72	50·24	53·37

79. The variations are discussed below :—

Well Sinking Department.—Consequent on the reorganization of the Department, the normal grant for the Well Sinking Department was raised from 8·00 to 24·00 in 1355 F., but the progress of works has been slow due partly to the general economic factors and partly to the delay in the formation of additional divisions.

Completion of Roads.—The Budget Estimate for 1356 F. includes provision for sanctioned works in progress.

Manair Project.—This work was taken up in connection with the Grow More Food Campaign in 1354 F. and the cost was estimated at 35·50. This will, however, go up due to enhancement of 70 per cent. in the rates.

Chandrasagar Project.—This work was also taken up in connection with the Grow More Food Campaign. The original Estimate was 4·22 which has now been raised to 8·04.

Sakat Project.—This work was sanctioned two years back but actual construction started in 1355 F., hence the saving in the Revised Estimate for 1355 F.

Rooty Tank Project.—The work has already been completed at a cost of 5·74 and the provision in the Budget Estimate for 1356 F. is for the settlement of outstanding bills.

Approach Roads under Dindi.—The provision has been made in pursuance of Government's policy regarding the development of area under Dindi Project.

Relief Works in Raichur District.—These are new works sanctioned during 1355 F. and the provision in 1356 F. is meant for the completion of works in progress.

B.E. 1355 F.	R.E. 1355 F.	B.E. 1356 F.	41. Miscellaneous.
29·41	10·78	34·70	

80. The Budget Estimate for 1355 F. included the following main items:—

(1)	Reserve for Nizam Sagar Development	..	..	5·00
(2)	Reserve under the Finance Department's control	..	..	15·00
(3)	Reserve for schemes, etc., sanctioned during the closing months of 1354 F.	..	..	5·00
(4)	Reserve for clearing arrears of travelling expenses and contingencies which could not be met from the Reserve of 5·00 kept in 1353 F.	..	..	2·50
(5)	Payment to the Postal Department for working expenses of the Savings Bank Section	..	..	54
(6)	Expenditure on Compulsory Savings Scheme	..	..	29
(7)	Cost of bad climate allowance to the Government servants stationed at Utnoor	..	..	08

According to the present practice the expenditure against items 2, 3, 4 and 7 has been booked under various expenditure heads. The Revised Estimate exhibits expenditure against items 1, 5 and 6 and expenses in connection with the Industrial Delegation sent to the United Kingdom and the United States of America. The Budget Estimate for 1356 F. includes the following main items:—

(1)	Reserve for Nizamsagar Development	..	..	5·00
(2)	Reserve under Finance Department's control	..	..	20·00
(3)	Reserve for the house rent allowance proposed to be granted to the low-paid Government servants	..	..	8·00
(4)	Lumpsum provision for Customs duty payable by the Government departments which were, hitherto, exempt from payment of customs.	..	..	4·00

B.E. 1355 F.	R.E. 1355 F.	B.E. 1356 F.	42. War Expenses.
173·45	136·46	130·91	

81. This head was first opened in 1349 F., with the object of recording expenditure directly or indirectly related to War. The expenses of Army Units sent ex-Dominions, their reinforcements, Training Centres, Depots, etc., were accordingly booked here in addition to the monthly Contributions and Donations towards War Effort. Later on, expenditure on A.R.P., Textile and other control measures, Supply Department and certain temporary departments and establishments, sanctioned in connection with War, was also charged to this head, so as to exhibit at one place the total War Efforts of His Exalted Highness' Government.

82. The War has ended, but the temporary additions in the Army, various control measures, Supply Department, etc., are likely to continue for some time. It has, therefore, been decided (i) to transfer the items relating to the Army to M.H. 19-Military, (ii) to open a new Major Head "Supply and Control" for items relating to Supply, Rationing and Control Measures, and (iii) to transfer the rest of the items to the respective expenditure heads.

83. The various items, their amounts and the heads to which they have been transferred are detailed below :—

Srl. No.	Items	B.E. 1355 F.	R.E. 1355 F.	B.E. 1356 F.	M.H. to which transferred
1	Items relating to Army ..	107·89	86·61	66·57	M.H. 19-Military
2	Defence Secretariat ..	·88	·25	·25	M.H. 15-Political Charges
3	Miscellaneous Departments ..	·88	·38	·37	·08 to M.H. 15-Political Charges and ·34 to M.H. 14-General Administration.
4	Internal Security Scheme ..	5·95	3·50	6·25	M.H. 22-Police.
5	Directorate of Resettlement and Employment ..	·39	·60	·90	M.H. 29-Miscellaneous and Minor Departments.
6	Hostels attached to Kachiguda and Saifabad Workshops ..	·25	·25	·25	M.H. 23-Education.
7	Public Security Committee ..	·46	·45	·46	M.H. 15-Political Charges
8	Sabe Palace, Calcutta ..	·28	·29	·28	M.H. 15-Political Charges
9	Fire Service Scheme ..	6·54	2·59	9·09	M.H. 30-Municipalities and Public Improvements.
10	Agricultural Statistics ..	1·34	1·10	1·11	M.H. 26-Agriculture.
11	Various Schemes of Supply and Control measures ..	26·34	20·86	45·38	M.H. 49-Supply and Control.
	Total ..	..	..	130·91	

84. These transfers will take effect from the Budget for 1356 F. and actual expenditure during 1355 F. will be booked under this head. For facility of comparison, however, the variations in the Budget Estimate for 1356 F. are also discussed here.

85. The decrease of 36·99 in the Revised is the net result of transfer of expenditure on enhanced rates of ration charges, etc., charged to the Reserve of 22·00, to M.H. 19-Military (—15·00), saving against the non-lapsing grant of 10·00 for Rehabilitation of Soldiers, etc., against which only two schemes, *viz.* (a) Welfare and Resettlement Office, and (b) Resettlement and Employment Directorate, have so far been sanctioned at a cost of ·42 and ·90, respectively (—9·05), non-utilization of the lumpsum provision and other grants for Hyderabad Recruiting Centre (—1·18), stoppage of monthly contribution towards War Efforts (—10·50), saving under Internal Security Scheme (—2·45), non-utilization of the non-recurring grant for Fire Service Scheme (—3·95), saving under lumpsum provision for rationing in districts (—3·72), Cloth and Yarn Control Scheme (—·40), Supply Department (—·81), deletion of provision for Driver Mechanics (—·76) and other decreases (—·50), partly counterbalanced by increase in the Reserve (3·00) and deletion of the deduct entry for recovery of the cost of 5th and 6th Battalions from Paigahs, as the case is still pending final decision (8·33). Further decrease of 5·55 in the next year's Budget is made up of :—

- (1) Deletion of monthly contribution towards War Effort ..—10·50
- (2) Provision of 5·00 as against the expenditure of 10·00 from the Reserve— 5·00
- (3) Saving due to local rates of pay as against Indian Army rates of pay allowed in the Revised— 2·10
- (4) Regrant of the non-recurring provision for Fire Service Scheme and fresh sanctions 6·34
- (5) Provision for rationing Schemes sanctioned and pending sanction 14·45
- (6) Deletion of items relating to A.R.P.— 6·69
- (7) Transfer of provision for Artisan Training Scheme to M.H. 23-Education— 2·00
- (8) Net result of increases and decreases under various heads ..— ·35

43 A. Dearness Allowance.

B.E. 1355 F.
137·12

R.E. 1355 F.
198·00

B.E. 1356 F.
205·00

86. The Budget Estimate for 1355 F. was based on the rates of dear-ness allowance and salary limits prevailing at this time last year. This con-cession has been withdrawn in the case of Government servants drawing above

Rs. 500 per mensem, from the 1st Thir 1355 F. It is, however, proposed to increase the rates of dearness allowance for Government servants drawing up to Rs. 200 per mensem with effect from 1st Azur 1355 F. The Revised Estimate provides for this additional expenditure. Further increase in the next year's Budget Estimate is due to provision for dearness allowance to the new entrants in connection with the new schemes of the various departments included in the Budget.

B.E. 1355 F.	R.E. 1355 F.	B.E. 1356 F.	44. Cultural Co-operation.
5·26	29·92	16·30	

87. The increase of 24·66 in the Revised Estimate, as compared with the Budget Estimate, is due to grants to Medical College, Aligarh (11·67), Zenana College, Aligarh (1·00), Hafeez Memorial Fund (·12), Chamber of Princes (·58), Depressed Classes College, Bombay (5·00), Jamia Millia, Delhi (5·00), and miscellaneous grants (1·29).

All these items have been deleted from the next year's Budget which, however, includes provision for fresh grants of 3·62 sanctioned for 1356 F. and a lumpsum of 10·00 for grants that might be sanctioned during the course of 1356 F.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	47. Excess Pro Tax.
50·00	70·12	30·00	

88. After excluding the collection charges, the balance of the proceeds is transferred to the E.P.T. Fund under Debt Heads for expenditure on relief measures and amenities, etc., for the poor classes of population. The figures under this head, therefore, correspond with the figures on the revenue side. There is an unspent balance of about 2 crores in the E.P.T. Fund. The Government is actively considering certain proposals, based on the recommendations of an *ad hoc* Committee of officials and non-officials, for the creation of an Educational Trust for educational advancement of the lower classes of population at a cost of about 1 crore and the balance will be utilized towards other beneficial activities for the poor classes.

B. E. 1355 F.	R. E. 1355 F.	B. E. 1356 F.	49. Supply : Control.
..	..	45·38	

89. As explained against Major Head 43-War Expenses.

PART II.
CAPITAL BUDGET.

Introductory Note.

90. IN the previous Budget Notes no attempt was made to give a picture of Government's capital transactions as a whole. The statements containing receipts and disbursements, on account of Capital and Debt Head transactions, merely indicated the probable receipts and disbursements under individual heads and a separate consolidated statement was appended to the Budget Note in which the opening and closing cash balances were exhibited. All these figures were discussed briefly and individually in the Budget Note, without indicating the effects of these transactions on the cash position of Government and the borrowing policy. With the growth of capital expenditure on Post-War Development Schemes of Government, the necessity for the proper presentation of all the transactions of capital nature (as distinct from the revenue receipts and service expenditure), has become evident. An attempt has, therefore, been made in the following paragraphs to discuss the capital transactions in comparatively greater detail so as to bring out clearly the effects of the transactions under Public Debt, Reserves, Deposits, Capital Outlay, Investments and Advances on the cash position of Government. For this purpose statements showing receipts, disbursements and balances of Public Debt, Reserves, Advances, etc., have been prepared, Appendix (H). These statements are discussed below.

Receipts.

91. Appendix (H) exhibits the following in respect of Public Debt, Reserves and Deposits :—

- (1) Balance at the end of 1354 F.
- (2) Receipts, disbursements and net receipts, as per Budget Estimate for 1355 F.
- (3) Receipts, disbursements and net receipts, as per Revised Estimate for 1355 F.
- (4) Receipts, disbursements and net receipts, as per Budget Estimate for 1356 F.
- (5) Balance at the end of 1355 F.
- (6) Balance at the end of 1356 F.

Public Debt.

92. This head records transactions on account of permanent Public Debt as well as Treasury Bills. The outstanding balance of Public Debt at the end of 1354 F. was 2054·29, out of which 1936·80 was on account of permanent debt and 117·49 on account of Treasury Bills. During the year, Government re-issued 2½ per cent Loan 1364-65, with an offer for conversion of the 3½ per cent Loan 1355-65, into the above Loan. The transaction resulted in the cash receipts of 411·20, conversion of 114·36 and cash repayment of 30·05. In addition to this, the transactions of Treasury Bills are expected to involve 600·00 on both the receipts and payment sides. Due to net receipts of 381·15, as a result of the above transactions, the outstanding debt at the end of 1355 F., is estimated at 2435·44. The receipts and outgoings in the Budget for 1356 F. represent Treasury Bills' transactions. The time for raising fresh loan, if any, during 1356 F. has not, so far, been decided and the Budget, therefore, does not take into account any loan receipts.

93. This head records cash receipts and disbursements of the following **RESERVES**. Reserves, the details of which are exhibited in Appendix (E) while the balances in the form of securities and cash are exhibited in Appendix (J).

- (i) Famine Insurance Fund.
- (ii) Debt Redemption Reserve.
- (iii) Budget Stabilization Reserve.
- (iv) Post-War Development Reserve.
- (v) Securities Adjustment Reserve.
- (vi) Deposits and General Reserve.

94. The net disbursement of 314·55 under Reserves is the result of 785·74 receipts and 1100·29 disbursements. The disbursements include 1015·00 on account of purchases of securities.

95. *Famine Insurance Fund*.—This Reserve was constituted in 1332 F. and its object was explained by the late Sir Akbar Hydari in the following words :—

“ As I had stated last year, this is amongst those classes of expenditure which come inevitably but after a cycle of years and, therefore, a due provision every year should be made for them. It has been calculated that on an average, not taking into account any loss of revenue (which should be met from the accumulation of surplus balances in good years), the cost of famine expenditure would be about 3 crores in 20 years. It is proposed, therefore, to lay aside 15 lakhs a year for this purpose.”

The Reserve receives an annual contribution of 15·00 from the General Revenues as also the interest accretions on its holdings. Its balance at the end of 1355 F. and 1356 F. is estimated at 278·04 and 248·67 respectively.

It is being utilized for the following objects :—

- (1) Expenditure on the construction and other incidental charges of Famine Protective Works ;
- (2) Expenditure on other Famine Relief measures ;
- (3) Famine Taqavis.

96. *Debt Redemption Reserve*.—The principal and interest of public debt are secured on the revenues and assets of Government and for their redemption there is a Sinking Fund the annual contribution to which is made at a rate sufficient to discharge the loans on maturity.

Its closing balance at the end of 1355 F. and 1356 F. is estimated at 517·23 and 582·23, respectively.

97. *Post-War Development Reserve*.—This Reserve was created in 1353 F. from the following sources :—

- (1) Balance in excess of Rs. 3 crores standing to the credit of O.S. Stabilization Reserve.
- (2) Future profits on coinage ;
- (3) Interest accruing on the securities held in the reserve, after deducting such portion of the interest which is creditable to the Securities Adjustment Reserve.

It was earmarked for meeting expenditure on nation-building activities, like Education, Public Health, Medical Relief and Rural and Industrial Development. While the intention was that the expenditure from this reserve should, during the period of the War, be limited to the interest earnings, it was also contemplated that the grants from the corpus of the reserve should also be available where necessary even before the cessation of hostilities.

Its balance at the end of 1355 F. and 1356 F. is estimated at 606·75 632·98, respectively. The profits on coinage will from 1356 F. be taken to Revenue; and the Reserve, in which will be merged (i) the Budget Stabilization Reserve and (ii) part of the Deposits and General Reserve, will not be utilized for ordinary service expenditure. Future policy regarding this Reserve has been discussed in the Hon'ble Finance Member's Budget Note.

98. *Budget Stabilization Reserve*.—Under the Departmentalization system of budgeting, which provided for Triennial Budgets, the departments were at liberty to utilize their savings during the triennium within certain restrictions. Besides this, there were accumulated past surpluses which used to be utilized for meeting extraordinary items of expenditure. The change over from a Triennial to an Annual Budget and amendments in the scheme of Departmentalization system in 1353 F. necessitated a revision in the arrangements regarding the departmental savings and accumulated surpluses. Instead of their being scattered all over different departments and being maintained under different heads, it was found necessary to simplify the arrangement and to bring all such balances in one place. Consequently, all these balances were merged together in 1353 F., and a separate Reserve called "the Budget Stabilization Reserve" was constituted. This Reserve is also being credited with revenue surplus and interest accruing on securities held in the reserve.

The objects on which withdrawals from this Reserve are permissible are :—

- (i) to meet additional expenditure due to War which could not be met out of the ordinary revenues of an year;
- (ii) to meet deficits in the budget;
- (iii) to cope with the situation which may arise due to the apprehended fall in revenue after the termination of the War when it may not be possible to adjust expenditure at a short notice to the reduced level of revenues.

Its balance at the end of 1355 and 1356 F. is estimated at 1334·40 and 1536·60, respectively; and, as recommended in the Hon'ble Finance Member's Budget Note, it is proposed to be merged in the Post-War Development Reserve.

99. *Securities Adjustment Reserve*.—This Reserve was formed in 1353 F. as a safeguard against fluctuations in the market prices of securities allocated to various reserves, by transferring half the interest on securities of the Paper Currency Reserve and a quarter of interest earned on securities of the Osmania Sica Stabilization and Deposits and General Reserves annually, to this new Reserve.

Its balance at the end of 1355 F. and 1356 F. is estimated at 166·28 and 231·78, respectively.

100. *O.S. Stabilization Reserve*.—There are two separate Reserves for the management of the Currency system and control of Exchange, viz.,

- (i) the Osmania Sica Stabilization Reserve, and
- (ii) the Paper Currency Reserve.

The former has been built up from the actual profits on coinage and the latter represents cover against Note issue.

The O.S. Stabilization Reserve (which was formerly called "Kaldar Reserve") was reconstituted in 1332 F. with the object of preventing fluctuations in value between the Osmania Sica and B.G. rupees going much beyond their respective silver contents. After the introduction of Paper Currency, a separate Paper Currency Reserve was built up, providing large liquid and semi-liquid resources in B.G. and O.S. currency, which were utilised for controlling exchange within certain fixed limits. While preparing the Budget Estimates for 1353 F. (1943-44), it was considered

that it would be enough, if, as in British India, a fixed Reserve is maintained to provide for any depreciation in the value of silver in whole rupees and other silver coins. After a close examination of the position of the Reserve, and taking into consideration the relevant factors, it was decided that the O.S. Stabilization Reserve need not exceed Rs. 3 crores (O.S.), and the Balance in excess of this amount, which was estimated at nearly Rs. 2 crores, should be transferred to a new Reserve called 'The Post-War Development Reserve.'

From 1348 F. to 1351 F. the balance of the reserve stood at an almost steady figure of 361·62. In 1352 F., however, the large minting programme of Government and consequent profits on coinage raised the balance to 383·74. Since then it has been fixed at 300·00 and the balance in excess of this figure is transferred to 'Post-War Development Reserve.'

101. *Deposits and General Reserve.*—This Reserve is a part of Government's cash balance held in the form of securities. After maintaining a reasonable working balance in the Treasury and the Bank, the surplus of incomings over outgoings is invested in suitable Government Paper or Industrial Shares. If any portion of the surplus pertains to any particular Reserve, the securities of the same value are allocated to that Reserve and the balance of securities, which does not pertain to any particular Reserve, is kept in the Deposits and General Reserve. This is also treated as an adjusting head for exchange of securities and cash between the various Reserves on the one hand and cash balance on the other.

Its balance at the end of 1355 F. is estimated at 2078·93. The future policy regarding this Reserve has been discussed in the Honourable Finance Member's Budget Note.

102. *Industrial Reserve.*—This Reserve was constituted in 1338 F. by setting aside 55·13 from the surpluses, with a view to ensuring the industrial progress of the Dominions at least in so far as it depended on financial support. At various stages Government contributed further amounts to this reserve, so as to bring the total contributions to 100·00. The corpus of the fund is utilized in giving help, in the shape of capital to large industries and the interest obtained from such loans is spent in advances to smaller industries. Its balance at the end of 1356 F. is estimated at 296·43.

103. *Paper Currency Reserve.*—Section (9) of the Hyderabad Paper Currency Act of 1327 F., as amended in 1352 F., provides that not more than 60 to 70 per cent. of the total value of Currency Notes in circulation may, in lieu of cash, be kept in securities of the Government of India or of this Government or of any company working or owning any Railway in the Dominions. The Paper Currency Reserve at the end of 1355 F. stands at O.S. 4887·59 against which securities of the Government of India, etc., of the value of O.S. 3006·96 are held in the Paper Currency Reserve and the balance in Osmania Sicca and B.G. rupees.

104. In the Budget Estimate for 1355 F., the Receipts were estimated at 2297·36 and Disbursements at 1664·57, resulting in net receipts of 632·79. In the Revised Estimate the Receipts have been placed at 1619·96 while Disbursements are expected to be 1100·60, thus resulting in net receipts of 519·36. The next year's Budget provides for total Receipts of 1297·27 and total Disbursements of 869·81, and net receipts of 427·46. These transactions will raise the balance of Deposits from 1556·21 at the end of 1354 F. to 2075·57 at the end of 1355 F. and 2503·03 at the end of 1356 F.

(i) *Life Insurance and Provident Fund.*—The transactions relating to the Government Life Insurance Fund, Family Pension Fund and Provident Funds of the various commercial undertakings of Government have been grouped under this head. The balance at the end of 1354 F. was 178·21. The receipts and disbursements in 1355 F. are expected to be 28·15 and 21·88 respectively, resulting in net receipt of 6·27, while the transactions in 1356 F. are expected to be 28·40 receipts, 18·38 disbursements and 10·02 net receipts.

(ii) *Depreciation Funds and Reserves of Commercial Undertakings.*—The various commercial undertakings of Government place their depreciation funds and reserves with Government and Government pays interest on these funds and reserves. This head includes depreciation funds and reserves of the Electricity and Telephone Departments, Government Press, Alcohol Factories, etc. The receipts in 1355 F. are estimated at 23.70 which includes the advances to the Distilleries Directing Board, which will be deposited with Government; hence the increase in the Revised Estimate for 1355 F. as compared with the Budget Estimates for 1355 F. and 1356 F.

(iii) *Postal Savings Bank Deposits & other Postal Savings.*—This head records transactions on account of postal savings bank deposits, postal cash certificates and national savings certificates.

(iv) *Excess Profits Tax Deposits.*—The receipts under this head represent deposits on account of chargeable accounting period ending 30th Aban 1354 F.

(v) *Compulsory Savings Deposits.*—This head is self-explanatory and no remarks are offered.

(vi) *Road Fund.*—This head records receipts from the Petrol Cess and Motor Vehicles Tax, which are transferred from the Revenue Heads concerned to this head, and expenditure on roads which are mainly intended for motor traffic.

(vii) *Personal and temporary deposits.*—Some of the Government servants are authorised to maintain drawing accounts at treasuries and branches of the Hyderabad State Bank for operations on Government account and the transactions are recorded under this head. The number of such accounts is now being gradually reduced; hence the reduction in the volume of transactions under this head. The figures of receipts and disbursements and net receipts are based on the trend of actuals.

(viii) *Court Deposits.*—This head records deposits from the Civil, Criminal and Revenue Courts and the Court of Wards. The receipts and disbursements are based on the trend of the actuals of the current and past years.

(ix) *Deposits from Local Bodies.*—Transactions relating to the balances of the Municipalities, Town Committees and other Local Bodies are booked here.

(x) *Excise Duty on Matches.*—The arrangement regarding Excise Duty on Matches is that the collections from the local Match Factories are remitted to the Government of India which, later on, pays back to H.E.H. the Nizam's Government a share of the total proceeds on population basis. These transactions are recorded under this head. The adjustments are effected through this head and net receipts taken on the revenue side.

(xi) *Jagir Abkari Rights.*—This is also an adjusting head for collection and disbursement of excise revenue pertaining to the various Jagirs.

(xii) *Railway Deposits.*—This head records receipts from the Railways which are subsequently adjusted by transfer of the actual share of Government in the Railway's earnings, to the Revenue Head concerned.

(xiii) *Excess Profits Tax Fund.*—The unspent balance of the proceeds of the Excess Profits Tax is transferred each year to this head for expenditure on various schemes and measures sanctioned from time to time, in consonance with the policy of Government regarding these proceeds.

(xiv) *Other Deposits.*—This head records receipts and disbursements under miscellaneous items of receipts and disbursements and the net receipts depend on the trend of actuals.

Disbursements.

105. Appendix (H) exhibits the following in respect of Capital Outlay, Investments and Advances :—

(1) Balance at the end of 1354 F.

- (2) Receipts, disbursements and net disbursements, as per Budget Estimate for 1355 F.
- (3) Receipts, disbursements and net disbursements, as per Revised Estimate for 1355 F.
- (4) Receipts, disbursements and net disbursements, as per Budget Estimate for 1356 F.
- (5) Balance at the end of 1355 F.
- (6) Balance at the end of 1356 F.

106. The receipts under this head represent contribution from revenue **Capital Outlay** for writing-off the commuted values of pensions and mansabs. The expenditure on capital programme of Government is discussed below :—

107. The Budget Estimate for 1355 F. provided for a capital outlay of 221·05. During the year, a sum of 72·00 was sanctioned in excess of Budget, for purchase of machinery, etc., in connection with the Godavari Valley Development Scheme. Further 13·93 were sanctioned for the purchase of Distilleries and 22·17 for the purchase of Secunderabad Electricity Concern. The total allotments for capital outlay were thus 329·15, against which the expenditure is now estimated at 202·04. The saving of 127·11 has occurred under the following main items :—

(1) Godavari Valley Development Scheme ..	..	—55·00
(2) Irrigation Projects .. ..	..	—29·93
(3) Construction of Roads .. ..	..	— 6·00
(4) Military Buildings .. ..	..	—13·81
(5) Osmania University Buildings ..	..	—14·79

108. The grant for the Godavari Valley Development Scheme is discussed in a subsequent paragraph. The position regarding Distilleries is that at the termination of the 7 years' contract with the Central Nathuram and Parbhani Distilleries, the Government has purchased these distilleries at a cost of 7·99 and 5·13 respectively, and has formed a Directing Board, having the Hon'ble Revenue Member as its Chairman, for the management of these distilleries. The actual producing capacity of these distilleries is 17·5 lakhs gallons 60 UP, while the consumption of liquor in the State varies between 15 and 17 lakh gallons 60 UP, per annum. These distilleries are being run as an adjunct of the Excise Department, but the accounts are being maintained on purely commercial basis. In addition to this, Government has advanced 8·89 to the Central Distillery, Narayanguda, and 6·53 to the Kamareddi Distillery towards their working capital, and it is expected that, after deducting 4 per cent. on account of interest payable to Government, the 2 distilleries would be able to give a return of about 4½ per cent.

109. The Budget Estimate for 1356 F. provides for a total Capital Expenditure of 689·26, as against the Budget Estimate of 221·05 and Revised Estimate of 202·04 for 1355 F. The main items in the next year's Budget are :—

(1) Railway Construction and Compensations ..	..	106·04
(2) Irrigation Works .. ..	..	181·50
(3) Nizamsagar Hydro-Electric Scheme ..	..	39·00
(4) Construction of Roads .. ..	..	64·60
(5) Improvement Works under Local Bodies ..	..	25·00
(6) Godavari Valley Development Scheme ..	..	145·78
(7) Civil Works—Departmental Buildings ..	..	95·74

1. *Railway Construction and Compensation* :—The Railway's Programme of Construction for 1356 F. includes B.G. 38·00 for the construction of Mudkhed-Adilabad Railway and B.G. 50·00 for the proposed new line between Bailadila and Kurdwadi.

2. *Irrigation Projects* :—Out of the provision of 181·50 for the Irrigation Projects, 142·14 is for the Tungabhadra Project. The work in Tungabhadra Circle has been started on the basis of an agreement between the Madras and Hyderabad Governments for the partial appropriation of the Tungabhadra waters. The final distribution of waters is, however, still undecided. An amount of 40·20 was sanctioned last year for the preliminary works of the Tungabhadra Project and an estimate amounting to 21·84 per annum was sanctioned for establishment required for the Chief Engineer's office, 3 Circles, 11 Divisions and 9 Subdivisions. The department has, however, formed only one Circle and 4 Divisions for the present, and is now engaged in the preliminary works of roads and buildings. In addition to this, the Government also sanctioned during the current year, three separate estimates for Tools and Plant and Machinery required for the Tungabhadra Project, the total cost of which was estimated at 77·55 against which the expenditure is expected to be about 30·00 during the current year.

The provision for 1356 F. includes 100·00 for works expenditure on main dam and main canal, 15·25 for tools and plant, 10·00 for compensation and 16·89 for establishment, preliminary works, etc. The other item under irrigation works is the construction of Rajulbanda anicut project and canal (lower Tungabhadra Project).

The rest of the items pertain to the establishment for investigation of projects, lining of distributaries of Nizamsagar Project, extension of Pocharam channels, etc.

3. *Nizamsagar Hydro-Electric Scheme* :—Out of the total provision of 39·00 for Nizamsagar Hydro-Electric Scheme, 4·00 are for the excavation of rail race channel and construction of the permanent staff quarters which is nearing completion. The balance represents the probable payments on account of machinery costing 49·58 for which orders have already been placed with the English Electric Company and a sum of B.G. 10·00 has already been advanced to the Company.

4. *Construction of Roads* :—The total grant of 64·60 is made up of the following :—

1. Construction of Roads included in the Dominion Roads Programme	..	..	..	21·00
2. Construction of roads in pursuance of Post-War Planning Schemes	..	..	..	25·00
3. Construction of Krishna Bridge	..	..	..	5·00
4. Construction of roads for internal security purposes				2·25
5. Other Roads	..	..	..	10·85

The roads under item (5) would ordinarily have been included under M. H. 31-Buildings and Communications but, as discussed elsewhere, it has now been decided to charge all original works, except those the estimates of which are less than 1·00, to Capital.

5. *Improvement Works under Local Bodies* :—The practice hitherto followed in respect of the works of the Local Bodies was to finance the schemes to the extent of $\frac{3}{4}$ ths, by grants-in-aid from Government and $\frac{1}{4}$ th by means of loans. The Local Government Department has prepared rough estimates for water supply and drainage schemes, dust-proofing of roads and slum clearance, the total cost of which comes to 41·38. The provision of 25·00 included in the next year's Budget, represents a portion of Government's contribution towards these schemes, as it is expected that even if full amount is given the department will not be able to utilize it in view of the present difficulties about labour and material.

6. *Godavari Valley Development Scheme* :—A sum of 72·00 was sanctioned, in excess of Budget in 1355 F., for the purchase of plant, and machinery for the Hydrogenating plant, Soap plant and Caustic soda plant, etc.,

construction of buildings for Soap Factory, purchase of Thermal Power plant, buildings, etc., for Thermal plant and establishment charges. Orders for the purchase of machinery have already been placed and advance payments made. It is expected that the current year's expenditure against the sanction would amount to 17·00. The Estimate for 1356 F. is intended to cover the cost of the plant and machinery which is expected to be received next year and other incidental charges. The main items are as follows :—

1. Hydro-Electric Scheme	64·10
2. Agricultural Research Scheme	15·00
3. Oil Factory	60·00
4. Establishment Charges	6·68

7. *Civil Works—Departmental Buildings* :—The total grant of 95·74 for Civil Works includes 15·00 for Industrial and Technical Schools, 11·79 for other school buildings, 10·00 for Police Buildings, 9·00 for Osmania University Buildings, 14·53 for Military Buildings, 6·50 for Legislative Assembly Buildings, 8·36 for the second storey of the Temporary Secretariat Buildings.

110. The budget includes a gross amount of 689·26 for the various items of capital expenditure but in view of the difficulties in the way of procurement of plant and machinery from the United Kingdom and the United States of America and procurement of labour and material required for this huge programme, it is expected that the actual expenditure on capital account will not exceed 500·00.

111. After a careful examination of Government's cash position from *Investments*. time to time, the surplus cash balances, irrespective of the sources from which they are derived, are invested in suitable gilt-edged securities and shares of companies, etc. The expenditure incurred in this connection is booked, in the first instance, under this head. At the end of the year, investments on account of cash balances of the various funds and reserves are transferred to the respective accounts, leaving the balance pertaining to the deposits and general reserve under this head. A sum of 2331·81 has so far been invested in the various securities of the Government of India which have been allocated as below :—

1. Paper Currency Reserve	659·00
2. Debt Redemption Reserve	98·00
3. Securities Adjustment Reserve	119·00
4. Post-War Development Reserve	98·00
5. Budget Stabilization Reserve	700·00
6. Deposits and General Reserve	657·81

112. The balance of outstanding advances at the end of 1354 F. was *Advances*. 1095·59. The Budget Estimate provided for advances of 1191·23 and recoveries 1018·66, resulting in an increase of 172·57 in the balance of outstanding advances. In the Revised Estimate, the disbursements are expected to be 1096·82, receipts 1086·15 and net disbursements 10·67. The Budget Estimate for 1356 F. provides for total advances of 1094·60 and recoveries of 558·12, resulting in net advances amounting to 536·48. The increase is due mainly to the advance of 750·00 to the Hyderabad Commercial Corporation, against which it is expected to repay 325·00.

(i) *Loans to Government Servants*.—This head records transactions relating to advances to Government servants on account of travelling expenses, purchase of motor-cars, house building, purchase of War Bonds and National Savings Certificates, etc.

(ii) *Loans to Commercial Undertakings*.—Advances to Commercial undertakings of Government like Telephone, Electricity, Distilleries, etc., are booked here.

(iii) *Loans to Hyderabad Commercial Corporation*.—The purchases of grains, etc., by the Hyderabad Commercial Corporation are financed by

Government and advances to the Corporation and their repayments, from time to time, are booked here.

(iv) *Taqavi Advances*.—This head records transactions relating to the Famine Taqavis, Revenue Taqavis, Seed and Manure Taqavis, etc. During the year Government sanctioned 50·00 for the distribution of seeds and manure, out of which seeds and manure costing 18·33 were distributed during the first six months and the balance will be distributed by the end of the year. These Taqavi Loans carry an interest of 6 per cent., and the cost of the scheme is recovered from the cultivators in the shape of a surcharge of 6 per cent. of the cost of seed and manure supplied to the cultivators. The Budget Estimate for 1356 F. also includes a sum of 50·00 for distribution of seed and manure taqavis.

(v) *Advances to Departments* :—The main item under this head relates to the advance to the Mint for purchase of silver, gold, etc., for minting purposes. In addition to this there are advances for boundary marks and jagir survey, etc.

(vi) *Advances for Gold Prospecting* :—It is estimated that a total expenditure of 60·00 will be incurred to bring into operation the Hutti Gold Mines in the Raichur District. From the commencement of the operations, Government have spent 24·06 and a further sum of 10·81 is likely to be spent in 1355 F., against a budget provision of 21·81. The balance of 25·00, which includes the unspent balance of 1355 F., has been provided in 1356 F. to complete the programme.

A Gold Mining Company is proposed to be floated with an issued capital of 60·00, of which shares of the value of 12·00, or 20 per cent. of the total issued capital, are proposed to be offered to the public with a majority of non-official Directors on the Board. The balance of 48·00 will be retained by Government and the expenditure incurred so far adjusted against the above capital.

(vii) *Other Loans and Advances* :—The transactions relating to other miscellaneous advances and loans are booked under this head.

SUMMARY OF REVENUE AND CAPITAL TRANSACTIONS.

113. The effect of the Revenue and Capital transactions on Government's cash position is estimated below :—

			Revised Estimate 1355 F.	Budget Estimate 1356 F.
(1) Opening Cash Balance	..	..	790·72	508·06
(2) Revenue Receipts	..	..	2062·28	2057·64
(3) Service Expenditure	..	..	—1529·70	—1892·04
(4) Revenue Surplus	..	..	532·58	165·60
(5) Deduct Revenue Surplus transferred to Budget Stabilization Reserve	..	..	— 532·58	— 165·60
(6) Capital Receipts	..	..	585·96	757·02
(7) Capital Disbursements	..	..	868·62	1033·83
(8) Net result of Capital transactions		..	— 282·66	— 276·81
(9) Closing Cash Balance	..	..	508·06	231·25

ASSETS AND LIABILITIES.

114. Appendix (K) exhibits Government's liabilities in the form of Public Debt and Deposits, and Assets like productive works, advances, investments, etc. It will be observed that the balance of outstanding Public Debt at the end of 1354 F. was 2054·29 and outstanding deposits were 1556·21, against which concrete assets in the form of productive works and capital investments in commercial undertakings, etc., amounted to 3143·79 and

the balance of advances was 1095·59. Besides, 3618·73 were held in the form of gilt-edged securities and shares and 790·72 in the form of cash. Thus, against the total liabilities amounting to 3610·50, the total assets of Government stood at 8648·83. It is expected that this proportion will be maintained at the end of 1355 and 1356 F., the estimated figures being as follows :—

		Revised Estimate 1355 F.	Budget Estimate 1356 F.
Liabilities .. ..	..	4511·01	4938·47
Assets .. ..	..	10111·74	11128·60

The nature of Public Debt and Deposits has already been discussed in the foregoing paragraphs. Items shown on the side of assets are briefly explained below :—

1. *Productive works.*

(i) *Railways* :—The arrangement regarding the capital works of N.S.R. and other Railways owned by H.E.H. the Nizam's Government is that, construction of new Railway lines is financed from the General Revenues, while expenditure on open line capital works is met from the Reserve Fund of the Railways. The balances shown in the statement represent advances made by Government to the Railways towards their construction, from time to time, as well as the cost of purchasing the Railway.

(ii) *Irrigation* :—This item includes expenditure on the Nizamsagar and other irrigation works of a productive nature, as distinct from protective irrigation works.

(iii) *Others* :—The cost of residential buildings for officers, charged to capital, has been included under other productive works as it yields rent.

2. *Works of a Commercial character including protective Irrigation Works.*

Protective irrigation works financed from the Famine Insurance Fund, water works and works carried out by the City Improvement Board have been included under this item.

3. *Investments in Commercial Concerns.*

These investments represent Government's capital advances to the Electricity and Telephone Departments, Alcohol Factory and Distilleries and capital outlay on Godavari Valley Development Schemes.

4. *Other Works*.—This head records expenditure on departmental buildings, big road programmes, etc.

5. *Advances*.—The nature of advances has already been dealt with in the foregoing paragraphs.

6. *Investments*.—This head records Government's total investments in the form of Government of India securities and shares in outside and local commercial concerns.

27th Mehir 1355 F.
2nd September 1946

C. B. TARAPOREVALA,
Financial Secretary.

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APPENDIX (A)

Statement of Revenue Receipts for 1356 Fasli.

Major Heads	Accounts 1354 F.	Budget Estimate 1355 F.	Revised Estimate 1355 F.	Budget Estimate 1356 F.	DIFFERENCE	
					Cols. 4 & 5	Cols. 5 & 6
2	3	4	5	6	7	8
1-A Land Revenue ..	342.70	329.58	354.00	350.00	24.42	— 4.00
1-B Forests managed by Land Revenue ..	2.84	2.00	2.50	2.50	.50	..
2. Forests ..	102.00	75.00	75.00	70.00	..	— 5.00
3. Customs ..	230.66	175.00	270.00	275.00	95.00	5.00
4-A Excise ..	494.76	825.00	6,0.00	600.00	285.00	— 10.00
4-B Opium & Ganja ..	32.99	25.00	36.50	36.00	11.50	— .50
5-A Stamps ..	25.52	28.08	27.00	25.00	3.97	— 2.00
5-B Registration ..	4.89	4.75	5.50	6.16	.75	— .66
6. Mines ..	5.54	5.13	7.00	5.57	1.87	— 1.43
6-A Petrol Cess ..	1.63	2.00	2.00	2.00	..	..
6-B Motor Vehicle Tax ..	2.46	2.20	3.60	3.50	1.40	— .10
6-C Excise Duty on Matches	12.27	14.00	35.00	1.00	21.00	— 20.00
6-D Excise Duty on Sugar	12.94	12.00	12.00	12.00	..	..
6-E Excise Duty on Ciga- rettes ..	2.22	2.00	2.00	2.00	..	..
6-F Excise Duty on To- bacco ..	25.27	27.00	28.00	100.00	1.00	72.00
6-G Excise Duty on Vege- table Ghee ..	..	..	..	5.00	..	5.00
7. Berar Rent ..	29.17	29.17	29.17	29.17	..	..
8-A Interest ..	143.82	161.33	158.95	180.00	— 2.38	21.05
9. Mint ..	3.87	5.00	..	70.00	— 5.00	70.00
10. Paper Currency ..	53.64	59.33	59.92	62.50	.59	2.58
11. Exchange and Remit- tance ..	.21	.20	.20	.20	..	..
12. Post Office ..	23.91	24.50	25.22	24.73	.72	— .49
14. General Administra- tion ..	.99	.30	.80	.80	.50	..
15. Political Charges ..	.02	.12	.02	.02	— .10	..
15-A Agent. Berar ..	.09	..	..	..	..	..
18. Mansabs ..	.32	.50	.40	.40	— .10	..
19. Military ..	1.23	.75	.90	.90	.15	..
20. Courts ..	2.71	2.50	3.00	3.13	.50	.13
21. Jails ..	1.13	3.25	2.75	2.75	— .50	..
22. Police ..	.84	.15	.20	.20	.05	..
23. Education ..	8.56	9.00	8.75	9.30	— .25	.55
24. Medical and Public Health ..	1.71	1.25	1.70	1.70	.45	..
25. Ecclesiastical ..	.01	.02	.01	.01	— .01	..
26. Agriculture ..	2.45	1.00	3.00	1.00	2.00	— 2.00
27. Veterinary ..	.84	.50	.60	.60	.10	..
28. Co-operative ..	.14	.15	.15	.15	..	..
29. Miscellaneous and Minor Departments	.31	.25	.40	.30	.15	— .10
30. Municipalities and Public Improvements	.02	6.27	6.27	6.27	..	..
31. Buildings & Communi- cations ..	1.41	3.00	3.00	3.00	..	..
32. Irrigation ..	.88	.40	.40	.40	..	..
33. Railways ..	140.66	185.58	192.68	94.00	7.10	— 98.68
34. Electricity ..	1.40	3.57	3.07	10.88	4.50	2.81
36. Printing ..	..	..	..	..	..	..
37. Telephone ..	..	..	..	..	..	..
38. Industries ..	.55	.50	.50	.50	..	..
41. Miscellaneous ..	6.12	4.65	9.00	9.00	4.35	..
43. War Expenses ..	1.88	5.50	6.00	..	.50	— 6.00
47. Excess Profits Tax ..	92.08	50.00	70.12	30.00	20.12	— 40.12
49. Supply and Control ..	..	..	..	6.00	..	6.00
Grand Total. ..	1828.18	1532.43	2062.28	2057.64	479.85	— 4.64

APPENDIX (B) Statement of Service Expenditure for 1356 F.

Major Head	Accounts 1354 F.	Budget 1355 F.	Revised 1355 F.	Budget 1356 F.	DIFFERENCE	
					Cols. 3 & 4	Cols. 4 & 5
1	2	3	4	5	6	7
1-A Land Revenue	59.86	64.50	63.26	74.05	— 1.24	10.79
1-B Land Revenue Irrigation	7.39	..	..	..	..	..
1-B Forests managed by Land Revenue .. ..	..	..	..	..	..	..
2 Forests	11.37	17.28	16.51	18.19	— 1.32	1.68
3 Customs	19.28	20.86	20.73	20.76	— .12	.03
4-A Excise	49.47	38.13	26.52	36.75	— 11.61	10.23
4-B Opium & Ganja .. ..	.78	.96	.80	.80	— .16	..
5-A Stamps	1.47	1.89	1.91	1.98	.02	.07
5-B Registration	1.70	1.94	1.88	1.99	— .06	.11
6 Mines	2.66	1.34	1.86	4.52	.52	2.66
6-A Petrol Cess	1.63	2.00	2.00	2.00	..	..
6-B Motor Vehicles Tax	2.46	2.20	3.60	3.50	— 1.40	.10
6-C Excise duty on Matches .. ..	..	..	..	..	..	..
6-D Excise duty on Sugar .. ..	..	..	..	..	..	..
6-E Excise duty on Cigarettes .. ..	..	..	..	..	..	..
6-F Excise duty on Tobacco	3.13	3.57	3.00	3.63	— .57	.63
6-G Excise duty on Vegetable Products .. ..	..	..	..	.08	..	.08
7 Berar Rent .. ..	..	..	..	..	..	..
8-A Interest	62.17	64.65	72.47	91.30	7.82	18.83
8-B Debt Redemption	40.60	54.31	54.81	50.00	..	4.31
8-C Management of Public Debt .. ..	..	..	..	.48	..	.48
9 Mint	3.15	1.17	1.16	1.17	— .01	.01
10 Paper Currency	2.96	4.72	6.05	11.45	1.33	5.40
11 Exchange and Remittances .. ..	.54	.10	.00	.10	.50	.50
12 Post Office	20.12	19.39	18.74	19.93	— .65	1.19
12-A Subsidy to Air Mail .. ..	.35	.18	.18	.18	..	..
12-B Small Savings Scheme .. ..	.25	.45	..	..	..	..
13 Payment to His Exalted Highness	50.00	50.00	50.00	50.00	..	..
13-A Tour Expenses of H.E.H. and Military Secretary to H.E.H. .. ..	.14	.12	.12	.11	..	.01
13-B Expenses of Princes (Walashan)	9.61	11.35	11.65	11.78	.30	.13
13-C Expenses of Sahebzadas' (Buland Iqbal) .. ..	.76	.73	.75	.82	.02	.07
14 General Administration	57.09	64.95	65.82	77.33	.87	11.51
15 Political Charges	17.36	11.48	23.20	22.44	11.72	.76
15-A Agent Berar .. ..	.79	1.06	1.14	1.03	.08	.11
16 Service Pensions and Compassionate Allowances	59.30	55.39	61.77	61.50	6.38	.27
17 Life Insurance .. ..	..	..	..	..	..	..
18 Mansabs, Imtyazis and Special Allowances	16.60	17.21	17.20	17.15	— .01	.05
19 Military	35.41	64.92	70.78	158.62	5.86	87.84
20 Courts	22.56	25.54	23.38	28.90	— 2.16	5.52
21 Jails	6.32	7.67	6.46	7.83	— 1.21	1.37
22 Police	61.62	65.88	70.80	90.70	4.92	19.90
23 Education	119.08	213.80	140.73	258.97	— 73.07	118.24
24 Medical & Public Health	52.10	66.18	58.50	81.00	— 12.68	27.50
25 Ecclesiastical	10.06	10.42	10.33	13.45	.11	2.92
26 Agriculture	11.03	18.76	10.85	24.58	— 7.91	13.73
27 Veterinary	5.89	18.99	7.02	18.60	— 11.97	11.73
28 Co-operative	5.09	12.86	7.05	11.45	— 5.81	4.40
29 Miscellaneous & Minor Departments	0.05	7.06	6.78	8.79	— .28	2.01
30 Municipalities & Public Improvements	22.68	37.34	25.24	62.38	— 12.10	37.14
31 Buildings & Communications	89.81	123.63	84.46	136.93	— 39.17	52.47
32 Irrigation (Revenue Accounts)	13.65	27.41	24.28	37.50	— 3.13	13.22
33 Railways	1.87	2.82	2.58	2.68	— .24	.10
34 Electricity .. ..	.23	.08	..	.18	— .08	.18
35 .. ..	..	..	..	..	..	..
36 Printing .. ..	.92	1.06	1.12	1.87	.06	.25
37 Telephone .. ..	..	..	..	..	..	..
38 Industries	2.75	4.60	3.50	18.62	— 1.10	15.12
38-A Industrial Research Laboratory .. ..	.08	18.43	3.23	18.43	— 15.20	15.20
38-B Transfers from Industrial Reserve	6.60	5.96	5.70	8.17	— .26	2.47
40-A Transfers from Famine Reserve	27.96	58.72	50.24	58.37	— 8.48	3.13
40-B Famine Insurance	15.00	15.00	15.00	15.00	..	..
41 Miscellaneous	8.01	29.41	10.87	34.70	— 18.54	23.83
42 Transfers from Road Fund	5.32	5.00	5.00	5.00	..	..
43 War Expenses	119.70	173.45	136.45	..	— 37.00	136.45
43-A Dearness Allowance	132.86	137.12	108.00	205.00	60.88	7.00
44 Cultural Co-operation	5.97	5.79	29.92	16.30	23.95	13.62
45 State Bank .. ..	..	..	..	..	..	..
47 Excess Profits Tax	92.08	50.00	70.12	30.00	20.12	40.12
49 Supply and Control .. ..	..	..	..	45.38	..	45.38
Total	1433.26	1720.40	1600.82	1979.12	— 119.58	378.30
Deduct from other sources (is shown in Appendix 'C' on the reverse)	85.73	171.80	71.12	87.08	— 100.18	15.96

APPENDIX (C)

Statement of Expenditure met from other Sources.

					Ac- counts 1854 F.	Budget Estimate 1855 F.	Revised Estimate 1855 F.	Budget Estimate 1856 F.
<i>From Post-War Development Reserve.</i>								
23	Education	..	..	..	..	16·86	..	..
24	Medical and Public Health	..	..	..	..	2·69	..	..
27	Veterinary	..	..	..	..	5·95	..	..
38-A.	Industrial Laboratory	..	..	..	..	1·50	..	..
<i>From Industrial Trust Fund.</i>								
38-A.	Industrial Laboratory	..	..	..	..	5·50	5·70	8·17
38-B.	Transfers from Industrial Reserve	..	..	..	6·60	5·96	..	..
<i>From Famine Reserve.</i>								
40-A.	Transfers from Famine Reserve.	..	..	..	27·95	58·72	50·24	53·87
<i>From Road Fund.</i>								
42	Transfers from Road Fund	..	..	..	5·82	5·00	5·00	5·00
<i>From Savings of Non-lapsing grants.</i>								
2	Forests	..	..	..	..	·56	} 10·18	20·54
23	Education	..	..	..	3·89	12·00		
31	Buildings and communications	..	..	..	39·10	30·06		
32	Irrigation	..	..	..	2·87	6·50	..	..
38-A.	Industrial Reserve	..	..	..	..	10·00	..	..
43	War Expenses	..	..	..	..	10·00	..	..
Total					..	85·73	171·80	71·12
								87·08

APPENDIX

RECEIPTS

Statement of Capital

Srl. No.	Heads	Accounts 1854 F.	Budget Estimate 1855 F.	Revised Estimate 1855 F.	Budget Estimate 1856 F.
1	2	3	4	5	6
K.—CAPITAL—OUTLAY RECOVERED.					
1.	Commuted Value of Pensions	2·08	1·46	1·60	1 28
2.	Commuted Value of Mansabs	·29	·30	·30	·36
Total ..		2·37	1·76	1·90	1·64
L. Investments cashed					
	

(D).

and Investments

EXPENDITURE

Srl. No.	Particulars	Accounts 1854 F.	Budget Estimate 1855 F.	Revised Estimate 1855 F.	Budget Estimate 1856 F.
1	2	3	4	5	6
CAPITAL OUTLAY NOT CHARGEABLE TO REVENUE.					
1	Commutation of Pensions	4·87	6·00	5·55	6·00
2	Commutation of Mansabs	·75	1·00	·98	1·00
3	Railway Construction & Compensation	·18	30·70	29·60	106·04
4	Electricity (City) .. .. .	..	..	..	..
5	Do (District)	·68	8·32	1·40	10·58
6	Telephone (City)	·35	·78	·40	·32
7	Do (District) .. .. .	..	..	..	·12
8	Purchase of Distilleries .. .. .	..	..	18·98	..
9	Purchase of Secunderabad Electricity Concerns .. .. .	..	..	22·17	..
10	Gold prospecting	6·67	..	..	..
11	Nizamsagar Hydro-Electric Scheme	3·03	4·00	14·50	39·00
12	Irrigation : —				
	(a) Tungabhadra Project .. .. .	..	..	..	142·14
	(b) Rajulbanda Aicut Project .. .. .	..	..	..	30·00
	(c) Investigation Circles, Tools and Plant, etc.	3·52	57·68	27·75	12·18
13	Construction of Roads	1·25	18·80	12·80	64·60
14	Water-supply to Bren Gun Factory	·80	·49	·49	..
15	Improvement works under Local Bodies .. .. .	..	..	..	25·00
16	Drainage connection between Secunderabad and Hyderabad and Drainage for Industrial Area .. .. .	..	..	..	4·71
17	Remodelling of Water Works (third instalment) .. .. .	..	..	..	6·00
18	Godavari Valley Development Scheme .. .. .	..	..	17·00	145·71
19	Buildings : —				
	(i) Residential buildings for Officers .. .. .	..	3·00	·02	1·11
	(ii) Acquisition of site for permanent Secretariat Buildings	1·07	2·00	2·00	2·00
	(iii) Temporary Secretariat Buildings	4·00	1·10	1·00	3·30
	(iv) Legislative Assembly Building .. .. .	..	..	6·00	6·50
	(v) Security Press Building	1·57	6·82	6·80	4·00
	(vi) Construction of Buildings at Adilabad .. .. .	..	4·80	1·00	4·50
	(vii) Forest Department Buildings .. .. .	..	2·00	·80	1·20
	(viii) Medical Department Buildings .. .. .	..	5·88	·85	1·21
	(ix) Army Department Buildings	7·48	35·31	22·00	14·51
	(x) Police Department Buildings .. .. .	..	..	..	10·00
	(xi) Agriculture Department Buildings .. .. .	..	·40	..	1·50
	(xii) Osmania University Buildings	5·31	26·79	12·00	9·00
	(xiii) Education Department Buildings .. .. .	..	5·68	4·00	31·71
	Total	41·08	221·05	202·04	689·21
	L. Investments (Deposit Reserve)	610·60	350·00	657·81	..

APPENDIX (E.)

Statement of Reserves (Cash Position)

Name of the Reserves	BUDGET ESTIMATE 1855 F.			REVISED ESTIMATE 1855 F.			BUDGET ESTIMATE 1856 F.		
	Opening Balance	Incom- ings	Outgo- ings	Incom- ings	Outgo- ings	Closing Balance	Incom- ings	Outgo- ings	Closing Balance
1	2	3	4	5	6	7	8	9	10
mine Reserve	55.30	26.78	59.72	38.12	50.24	43.18	24.00	53.37	13.81
bt Redemption Reserve ..	69.12	68.55	42.01	68.89	128.05	9.96	65.00	..	74.96
dget Stabilization Reserve ..	265.10	48.99	..	518.19	700.00	113.59	202.20	..	315.79
st-War Development Reserve ..	37.13	48.72	27.00	69.29	103.00	3.42	26.23	..	29.65
curities Adjustment Reserve ..	62.80	52.89	..	61.25	119.00	5.05	65.50	..	70.55
Total ..	489.75	245.48	128.73	785.74	1100.29	175.20	362.93	53.37	504.76

Note.—This statement exhibits the Cash transactions only. The Securities and Cash held in the Reserves may be seen in Appendix (J).

APPENDIX

RECEIPTS.

Statement

Heads	Accounts 1854 F.	Budget Estimate 1855 F.	Revised Estimate 1855 F.	Budget Estimate 1856 F.	VARIATIONS	
					Cols. 3 & 4	Cols. 4 & 5
1	2	3	4	5	6	7
M Govt. Debt ..	684.62	800.00	1125.56	600.00	825.56	325.56
N Reserves ..	956.52	245.43	785.74	382.98	540.81	— 402.81
O Deposits bearing Interest ..	584.62	372.68	562.28	486.07	189.65	— 76.21
P Deposits not bear- ing Interest ..	1875.47	1924.73	1057.68	811.20	— 867.05	— 246.48
Q Deptl. Balances ..	58.98	69.12	.	.	— 69.12	.
R Advances bearing Interest ..	607.25	814.06	828.98	344.45	9.92	— 479.53
S Advances not bearing Interest..	182.83	204.60	262.17	214.67	57.57	47.50
T Remittances ..	120 85	.	..	..	..	..
Total ..	4471.14	3930.57	4617.41	2839.32	686.84	— 1778.09

(F)

of Debt Heads

EXPENDITURE.

Heads	Accounts 1854 F.	Budget Estimate 1855 F.	Revised Estimate 1855 F.	Budget Estimate 1856 F.	VARIATIONS	
					Col. 3 & 4	Col. 4 & 5
1	2	3	4	5	6	7
M Govt. Debt ..	210·18	450·42	714·11	600·00	298·99	—114·41
N Reserves .	591·85	128·73	1100·29	53·37	971·56	— 1046·92
O Deposits bearing Interest ..	245·59	223·76	235·43	238·43	11·67	3·00
P Deposits not bear- ing Interest .	1250·81	1440·81	865·17	631·33	575·64	233·79
Q Deptl. Balances ..	61·53	69 12		.	69·12	.
R Advances bearing Interest .	895·90	924·02	749·19	753·12	174·53	8·63
S Advances not bearing Interest .	269·37	267·21	347·33	336·43	30·12	— 10·85
T Remittances .	7·67	..	..	..	..	..
Total ..	3532·35	3504·07	4042·12	2617·78	533·05	— 1424·34

APPENDIX

Cash Balance

RECEIPTS

1356

Heads of Receipts	Accounts 1854 Fasli	Budget Estimate 1855 Fasli	Revised Estimate 1855 Fasli	Budget Estimate 1856 Fasli
Revenue Receipts ..	1868·06	1582·43	2062·28	2057·64
Surplus credited to Budget Stabilization Reserve ..	..	..	..	..
Receipts from various Funds & Reserves ..	30·00	102·18	71·12	87·08
Appropriations of Depart- mental Balances ..	45·86	69·12		
Capital Outlay recovered	3·41	1·66	1·90	1·65
Encashment of Invest- ments .. ..	..	..	..	..
Debt Head Receipts ..	4471·14	3980·57	4617·41	2839·32
Total ..	6418·47	5685·96	6752·71	4985·69
Opening Balance ..	500·15	503·77	790·72	508·06
Grand Total ..	6918·62	6189·73	7543·43	5493·75

M.A. ABBASI,

Budget Officer.

(G)

Statement.

Fasli.

EXPENDITURE

Heads of Expenditure	Accounts 1854 Fasli	Budget Estimate 1855 Fasli	Revised Estimate 1855 Fasli	Budget Estimate 1856 Fasli
Service Expenditure	1404·29	1549·10	1529·70	1892·04
Surplus credited to Budget Stabilization Reserve	480·65	83·88	582·58	165·60
Expenditure met from various Funds & Reserves	..	102·18	71·12	87·08
Expenditure met from Deptl. Savings ..	58·98	69·12		
Capital Expenditure ..	41·08	221·05	202·04	500·00
Investments (Deposits and General Reserve) ..	610·60	850·00	657·81	..
Debt Head Expenditure	8582·85	8504·07	4042·12	2617·78
Total ..	6127·90	5828·85	7085·87	5262·50
Closing Balance ..	790·72	360·88	508·06	231·25
Grand Total ..	6918·62	6189·73	7543·43	5493·75

A—18

*27th Mehir 1855 F.
2nd September 1946 A.D.*

C. B. TARAPOREVALA,
Financial Secretary.

APPENDIX (H)

(a) CAPITAL RECEIPTS.

Sl. No.	Details of Heads	Balance at the end of 1954 F.		BUDGET ESTIMATES 1955 F.			REVISED ESTIMATES 1955 F.			Balance at the end of 1955 F.			BUDGET ESTIMATES 1956 F.			Balance at the end of 1956 F.	
				Receipts	Disbursement	Net	Receipts	Disbursement	Net	Receipts	Disbursement	Net	Receipts	Disbursement	Net		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
1	Public Debt	2054.29	300.00	450.42	— 150.42	1125.56	744.41	381.15	2435.44	600.00	600.00	..	2435.44	600.00	..	2435.44	..
2	Reserves	489.75	245.43	128.78	116.70	785.74	1100.29	— 314.55	175.20	382.98	53.37	329.56	504.76	53.37	329.56	504.76	..
3	Deposits :—																
	(i) Life Insurance and Provident Funds	178.21	31.45	15.00	16.45	28.15	21.88	6.27	184.48	28.40	18.38	10.02	194.50	18.38	10.02	194.50	..
	(ii) Depreciation Funds and Reserves of Commercial undertakings	22.87	9.25	8.00	1.25	23.70	9.50	14.20	37.07	11.53	9.50	2.03	39.10	9.50	2.03	39.10	..
	(iii) Postal Savings Bank Deposits and other Postal Savings	178.83	91.51	90.25	1.26	166.47	133.30	33.17	212.00	166.46	136.30	30.16	242.16	136.30	30.16	242.16	..
	(iv) E. P. T. Deposits	133.70	40.00	..	40.00	50.00	..	50.00	185.70	20.00	..	20.00	205.70	..	..	205.70	..
	(v) Compulsory Savings Deposits	38.24	75.00	..	75.00	25.32	..	25.32	48.56	..	..	..	48.56	..	..	48.56	..
	(vi) Road Fund	8.46	6.39	5.00	1.39	5.60	5.00	..	9.06	5.50	5.00	..	9.56	5.00	..	9.56	..
	(vii) Personal and Temp. Deposits	69.98	1040.00	691.00	349.00	150.00	110.00	40.00	109.98	150.00	110.00	40.00	149.98	110.00	40.00	149.98	..
	(viii) Court's Deposits	24.46	34.75	39.20	4.45	15.00	15.00	..	24.46	15.00	14.00	1.00	25.46	14.00	1.00	25.46	..
	(ix) Deposits from Local Bodies	100.35	90.50	96.70	6.20	67.00	55.00	12.00	112.35	69.00	55.00	14.00	126.35	55.00	14.00	126.35	..
	(x) Excise Duty on Matches	4.64	13.00	15.75	2.75	65.00	65.00	..	4.64	15.00	15.00	..	4.04	15.00	..	4.04	..
	(xi) Jagir Abkari Rights	32.41	150.00	150.00	..	140.00	130.00	10.00	42.41	140.00	100.00	40.00	82.41	100.00	40.00	82.41	..
	(xii) Railway Deposits	164.19	350.00	280.00	70.00	300.00	275.00	25.00	189.19	214.00	175.00	39.00	228.19	175.00	39.00	228.19	..
	(xiii) E. P. T. Fund	130.18	35.00	30.00	5.00	66.00	..	66.00	196.18	26.00	..	26.00	222.18	..	..	222.18	..
	(xiv) Other Deposits	472.69	380.51	243.67	86.84	517.72	280.92	236.80	709.19	436.38	231.63	204.75	914.24	231.63	204.75	914.24	..
	Total Deposits	1556.21	2297.36	1604.57	632.79	1019.96	1100.60	519.36	2075.37	1297.27	869.81	427.46	2503.03	869.81	427.46	2503.03	..
	Grand Total	4100.25	2842.79	2248.72	599.07	3531.26	2943.30	585.96	4686.21	2280.20	1523.18	757.02	5143.23	1523.18	757.02	5143.23	..

APPENDIX (H)—*Concl.d.*

) CAPITAL DISBURSEMENTS

1. No.	Details of Heads	Balance at the end of 1854 F.	BUDGET ESTIMATES 1855 F.			REVISED ESTIMATES 1855 F.			Balance at the close of 1855 F.	BUDGET ESTIMATES 1856 F.			Balance at the close of 1856 F.
			Receipts	Disburse- ment	Net	Receipts	Disburse- ment	Net		Receipts	Disburse- ment	Net	
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Capital Outlay	..	1·66	221·05	219·39	1·90	202·04	200·14	..	1·65	500·00	498·85	..
2	Investments ..	..	..	350·00	350·00	..	657·81	657·81	..	..	..	..	..
3	Advances :—	..	5·50	5·50	..	4·96	6·40	1·44	36·28	4·96	6·40	1·44	37·72
(i)	Loans to Government servants	..	·50	1·50	1·00	..	13·92	13·92	18·29	..	..	..	19·29
(ii)	Loans to Commercial undertakings	..	..	..	..	..	..	..	..	..	..	..	..
(iii)	Loans to Hyderabad Commercial Corpora- tion ..	..	..	..	..	..	..	..	..	..	..	..	..
(iv)	Taqavi Advances ..	508·57	800·00	900·00	100·00	800·00	725·00	75·00	433·57	825·00	750·00	425·00	858·57
(v)	Advances to Departments ..	108·27	9·50	62·27	52·77	19·62	64·40	44·78	153·05	22·49	61·55	39·06	192·11
(vi)	Advances for Gold Prospecting	833·89	191·90	206·86	14·96	241·47	273·68	32·21	385·60	191·52	231·73	40·21	425·81
(vii)	Other Loans and Advances ..	..	..	..	..	..	..	..	..	..	25·00	25·00	25·00
		86·15	11·26	15·10	3·84	20·10	13·42	6·68	79·47	15·15	19·92	4·77	84·27
	Total Advances	1095·59	1018·66	1191·23	172·57	1086·15	1096·82	10·67	1106·26	559·12	1094·60	535·48	1641·74
	Grand Total	1095·59	1020·32	1762·28	741·96	1088·05	1956·67	868·62	1106·26	560·77	1594·60	1033·83	1641·74

APPENDIX (I.)

Statement showing the outstanding Government Debt at the end of 1355 F.

Sl. No.	Name of Debt	Amount of Original Debt	Paid up to the end of 1354 F.	Paid or to be in 1355 F. Approximate	Balance
1	2	3	4	5	6
1	6 per cent. Promissory Notes :- (a) Issued in 1307 F. repayable after 30th Aban 1326 F. ..	26,96,400	26,84,200	1,800	10,400
	(b) Issued in 1327 F. (i) Short Term 1330 F... (ii) Long Term 1339-1341 F. ..	12,90,650 70,44,650	12,74,200 70,02,650	650 7,000	15,800 35,000
	(c) Issued in 1329 F. repayable after 1st Bahman 1352 F. ..	1,02,08,800	1,00,45,900	30,500	1,32,400
	(d) Issued in 1331 F. repayable in 1351-61 F. ..	76,31,200	75,28,100	79,200	28,900
2	5 per cent. Promissory Notes :- Issued in 1341 F. repayable in 1352-62 F. ..	8,98,48,300	8,95,48,300	58,400	2,36,600
3	8½ Per cent. Promissory Notes :- Issued in 1344 F. repayable in 1355-65 F. ..	1,44,41,100	..	1,44,41,100	..
4	8 Per cent. Promissory Notes :- Issued in 1350 F. repayable in 1360-70 F. ..	7,68,88,000	..	..	7,68,88,000
5	2½ Per cent. Promissory Notes :- Issued in 1358 F. repayable in 1363-73 F. ..	6,28,16,000	..	..	6,28,16,000
6	2½ per cent. Promissory Notes Issued in 1354 F. repayable in 1364-69 F. ..	8,80,56,100	..	..	8,80,56,100
7	Old Railway Shares ..	52,27,665	18,24,988	..	34,02,677
	Total ..	31,61,38,865	6,99,03,338	1,46,18,650	23,16,16,877

APPENDIX (J)

Statement of Investments and Assets of Reserve Funds.

1356 Fasli

Nature of Securities	Debt Redemption Reserve	Famine Reserve	Industrial Reserve	O.S. Stabilization Reserve	Deposits and General Reserve	Securities Adjust. Reserve	Post-war Devlt. Res.	Budget Stabilization Reserve	Total	Paper Currency Reserve
	2	3	4	5	6	7	8	9	10	11
I—Investments :—										
(A) Govt. of India & Municipal Paper :—										
4 % Loan 1960-70 ..	52,80,000	..	..	1,52,17,500	..	..	..	..	2,04,97,500	48,02,500
24 % Rangoon M.P.T. Debentures ..	24,77,500	75,000	..	80,89,000	2,60,24,400	5,00,000	1,04,00,000	1,05,34,000	25,50,500	..
8 % Loan 1968-65 ..	2,11,92,400	1,65,89,500	..	54,500	16,00,000	32,00,000	10,00,000	30,11,000	9,32,29,800	3,42,07,800
8 % Loan 1951-54 ..	22,22,500	18,800	..	..	1,39,00,000	9,43,000	26,57,000	..	1,11,06,800	..
8 % Loan 1953-55 ..	..	..	..	..	1,95,00,000	..	2,00,00,000	..	1,75,00,000	8,00,00,000
8 % Victory Loan 1957 ..	..	..	..	..	1,200	..	..	..	3,95,00,000	..
8 % Loan non-terminable ..	..	..	..	..	1,00,000	5,00,000	15,00,000	30,00,000	1,23,49,300	1,72,50,700
24 % Loan 1948-52 ..	72,40,800	..	..	8,00,000	82,25,000	..	10,00,000	40,00,000	1,25,25,000	57,00,000
8 % Funding Loan 1966-68 ..	..	35,00,000	..	16,04,000	8,45,60,200	16,73,800	1,22,57,000	4,50,00,000	10,11,55,300	9,14,94,700
8 % Bombay Municipal Debentures ..	30,58,800	..	..	..	..	..	..	75,000	75,000	..
5 % 1st Development Loan 1970-75 ..	..	..	..	..	..	..	..	1,000	1,000	..
24 % Loan 1960 ..	10,00,000	..	..	..	1,66,09,200	..	14,01,000	2,60,20,000	4,50,80,800	6,25,50,000
8 % Govt. of India Loans ..	..	..	..	..	1,00,00,000	..	..	..	1,00,00,000	..
8 % Loan 1966 ..	10,00,000	..	..	..	..	..	13,00,000	1,30,00,000	1,92,67,400	2,50,00,000 †
8 % Provincial Loan ..	..	..	..	..	2,67,400	5,00,000	..	..	5,00,000	..
8 % do Sindh 1958 ..	..	..	..	..	12,25,000	..	..	..	12,25,000	..
8 % do Bombay 1958 ..	..	..	..	..	1,75,000	..	..	..	1,75,000	..
8 % do United Provinces 1958 ..	..	..	..	..	15,50,000	..	..	..	15,50,000	..
8 % do do 1960 ..	..	..	..	..	17,00,000	..	..	..	17,00,000	..
8 % do do Madras 1960 ..	..	..	..	..	6,00,000	..	..	..	6,00,000	..
Total (A) B.G.										
	4,34,80,000	2,01,31,300	..	2,57,15,000	13,10,37,400	1,38,20,400	5,17,14,000	10,46,41,000	39,05,39,100	27,10,05,700
(B) Other Investments.										
Sugareni Collieries Shares ..	..	..	28,12,927	..	55,66,250	..	..	..	55,66,250	..
Associated Cement Co. Shares ..	..	..	..	..	1,32,000	..	..	..	28,12,927	..
Tata Power Co. Shares ..	..	..	1,55,853	..	..	..	..	..	1,32,000	..
Osman Shahi Mills Shares ..	..	..	2,50,000	..	..	..	..	..	1,55,853	..
Eastern Federal Ins. Co. Shares ..	..	..	9,00,000	..	..	..	..	..	2,50,000	..
Agencies of Azam Jahi and Osman Shahi Mills ..	..	..	21,400	..	..	..	..	..	9,00,000	..
Deccan Marble & Mining Shares ..	..	..	..	..	..	..	..	..	21,400	..
44 % Cumulative Shares of Investment Corporation of India Ltd. ..	..	..	..	..	30,40,000	..	..	..	30,40,000	..
5 % Preference Shares of Tata Chemicals Ltd. ..	..	..	..	..	7,50,000	..	..	..	7,50,000	..
The Frontier Sugar Mills & Distillery Ltd. ..	..	..	..	..	2,00,000	..	..	..	2,00,000	..
Investia Industrial Corporation Ltd. ..	..	..	..	..	5,00,000	..	..	..	5,00,000	..
United Commercial Bank Ltd. ..	..	..	..	..	1,00,000	..	..	..	1,00,000	..
74 % Tata Steel 2nd Preference Shares ..	..	..	..	..	60,000	..	..	..	60,000	..
Investa Machine Tools & Engineering Co. Ltd. ..	..	2,00,000	..	..	..	..	..	..	2,00,000	..
Tea-cum-Rubber Co. Shares ..	..	..	..	..	2,00,000	..	..	..	2,00,000	..
Hindustan Development Corporation ..	..	..	..	..	7,50,000	..	..	..	7,50,000	..
National Savings Certificates ..	..	..	..	..	5,00,000	..	..	..	5,00,000	..
The Praga Tools Corp. Ltd. Shares ..	..	..	8,89,846	..	..	..	..	..	8,89,846	..
do do Loan ..	..	..	5,00,000	..	..	..	..	..	5,00,000	..

APPENDIX (K)

Statement showing Assets and Liabilities.

LIABILITIES

ASSETS

Items	Balance at the end of 1354 F.	Balance at the end of 1355 F. (R.E.)	Balance at the end of 1356 F. (B.E.)	Items	Balance at the end of 1354 F.	Balance at the end of 1355 F. (R.E.)	Balance at the end of 1356 F. (B.E.)
1	2	3	4	5	6	7	8
I. PUBLIC DEBT & COMMERCIAL ASSETS.							
Public Debt	*2054.29	* 2485.44	2485.44	(1) Productive Works :—			
				(i) Railways	1895.84	1925.44	2081.48
				(ii) Irrigation	570.94	595.44	776.99
				(iii) Others	3.37	3.39	4.50
				Total (1)	2470.15	2524.27	2812.97
				(2) Works of a Commercial character including Protec- tive Irrigation Works ..	255.61	300.77	369.70
				(3) Investments in Commercial Concerns	155.58	224.98	420.81
				(4) Other Works	262.45	340.97	545.70
				Total (1) to (4) ..	3143.79	3890.99	4149.18
II. DEPOSITS & ADVANCES.							
Deposits	1556.21	2075.57	2503.03	Advances	1095.59	1106.26	1641.74
III. INVESTMENTS & CASH				(i) Investments	3618.78	5106.43	5106.43
				(ii) Cash Balance	790.72	508.06	281.25
				Total (i) & (ii) ..	4409.50	5614.49	5387.68
Grand Total	3610.50	4511.01	4988.47		8648.83	10111.74	11128.60

* Includes outstanding Treasury Bills.

APPENDIX (L)

Statement showing New Items of Expenditure for 1356 Fasli.

Serial No.	Major Head	Department	Items	AMOUNT		
				Recurring	Non-recurring	Total
1	2	3	4	5	6	7
1	1-Land Revenue ..	Settlement and Land Records.	Change of grades of Demarcators	1,080	..	1,080
2		Land Revenue ..	Change of grades of Patels and Patwaris ..	5,00,000	..	5,00,000
3		do ..	Additional provision for livery of peons of Tahsils and Divisions .. ..	..	53,775	53,775
4		do ..	Appointment to the posts of Patwaris who die heirless	74,163	..	74,163
5		do ..	Uplift of Backward Tribes	1,07,092	14,000	1,21,092
		do ..	Backward Tribes—Social Service Scheme ..	1,05,600	15,000	1,20,600
			Total ..	8,47,935	82,775	9,30,710
6	2-Forests ..	Forest Department.	Printing of permits, etc.	1,300	..	1,300
7		do ..	Scholarships	9,803	..	9,803
8		do ..	Livery and arms for Sahradars, etc. ..	6,675	..	6,675
9		do ..	Purchase of band .. ..	..	1,000	1,000
10		do ..	Officiating arrangements in the absence of employees under training in Forest School ..	9,312	..	9,312
11		do ..	Allowance to Chowkidars	1,560	..	1,560
			Total ..	28,650	1,000	29,650
12	3-Customs ..	Customs Department	Establishment for Hakimpet Aerodrome ..	1,543	..	1,543
13		do ..	Provision for Training School	180	..	180
14		do ..	Contingent expenditure (Commissioner's Office) ..	380	..	380
15		do ..	Contingent expenditure (Balda and Secunderabad Customs Nakas) .. ..	..	500	500
			Total ..	2,103	500	2,603
16	4-A. Excise ..	Excise Department	Additional staff and contingencies in connection with amalgamation of Excise and Tobacco Establishments	5,94,000	4,61,000	10,55,000
17		do ..	Provision for tree markers	2,62,000	..	2,62,000
			Total ..	8,56,000	4,61,000	13,17,000
18	6-Mines ..	Mines Department	Creation of a post of (150-270)	2,648	..	2,648
19		do ..	Creation of a Geologist's post, etc.	32,110	..	32,110
20		do ..	Appointment of Mr. Finnie	38,328	..	38,328
21		do ..	Reorganization of Mines Department ..	1,36,082	9,700	1,45,782
22		do ..	Purchase of Boring Set and other apparatus for Mines Department	22,000	..	22,000
23		do ..	Reorganization of Mines Department ..	50,000	..	50,000
			Total ..	2,81,118	9,700	2,90,818
24	12-Postal ..	Postal Department	Additional provision for contingent charges ..	..	16,500	16,500
25	14-General Administration.	Political Secretariat (Publicity Branch).	Reorganization Scheme	2,22,948	87,762	2,60,710
26		Legislative Secretariat.	Additional establishment and contingencies ..	31,427	9,000	40,427
27		Commerce and Industries Dept.	Reorganization of Secretariat	46,274	..	46,274
28		Rural Reconstruction Secretariat.	Additional establishment, etc.	19,385	..	19,385
29		Mines Secretariat ..	do do	7,397	..	7,397
30		Labour Commissioner's Office.	Creation of one post of shroff	393	..	393
31		Labour Secretariat	Additional staff and contingencies	23,832	3,000	26,832
32		Constitutional Secretariat.	Reserve for expenditure in connection with constitutional discussions, etc. ..	..	50,000	50,000
33		Statistics Dept. ..	New schemes of Statistics Department ..	2,00,900	..	2,00,900
34		Fisheries Dept. ..	Reorganization of the Department ..	56,114	..	56,114
			Total ..	6,08,670	99,762	7,08,432
35	15-Political Charges	Information Dept.	Additional grants to Orient Press of India and United Press of India	7,000	..	7,000
36		do ..	Purchase of motor vans .. ..	..	1,50,000	1,50,000
37		do ..	Scheme for Reorganization of Information Bureau	6,33,242	1,39,226	7,72,468
			Total ..	6,40,242	2,89,226	9,29,468

APPENDIX (L)

Statement showing New Items of Expenditure for 1356 Fasli—(contd.)

Serial No.	Major Head	Department	Items	AMOUNT		
				Recurring	Non-recurring	Total
1	2	3	4	5	6	7
38	19-Military	IRREGULAR FORCES	Nazm-e-Jamiat .. For reorganization of Nazm ..	..	4,00,000	4,00,000
39		REGULAR FORCES.	Additional establishment charges and revision ..	44,752	..	44,752
40		Army Headquar- ..	ters. of grades of present establishment ..	..	..	..
41		Regular Forces ..	Clothing for repatriated personnel ..	19,600	..	19,600
42		do ..	Introduction of honorary ranks ..	2,800	..	2,800
43		do ..	Formation of provost detachment ..	35,085	16,500	51,585
		do ..	Lumpsum provision for various schemes of Regular Forces ..	..	5,00,000	5,00,000
			Total ..	1,02,237	9,16,500	10,18,737
44	20-Courts	Judicial Depart- ..	ment. Additional staff, T.A. and contingent charges for Secunderabad Courts ..	20,000	..	20,000
45		do ..	Creation of 2 posts of munsiffs (250-400) ..	7,880	..	7,880
46		do ..	Additional establishment, contingencies, etc., for High Court ..	1,31,008	21,965	1,52,968
			Total ..	1,58,888	21,965	1,80,848
47	21-Jails	Jails Department ..	Additional provision for contin. etc., of Jails ..	..	30,000	30,000
48	22-Police	City Police Depart- ..	ment. Additional establishment and contingent grant for Secunderabad Police ..	2,155	23,408	25,563
49		do ..	Purchase of ambulance car, petrol charges, pay of driver, etc. ..	1,860	6,250	8,110
50		do ..	Revision of scales of police forces ..	2,73,323	..	2,73,323
51		do ..	Purchase of blankets, typewriters, gestetner machine, sentry box and safe, etc. ..	..	10,090	10,090
52		do ..	Personal allowance to the Commissioner, City Police ..	3,000	..	3,000
53		do ..	Purchase of medicines and motor car insurance charges ..	2,200	..	2,200
54		do ..	Expenses in connection with undesirable Arabs ..	5,000	..	5,000
55		do ..	Local allowance to constables posted at the High Court ..	1,764	..	1,764
56		do ..	Additional provision for Traffic Control Scheme ..	..	9,334	9,334
57		do ..	Provision for motor garages and petrol ..	..	1,80,000	1,80,000
58		District Police De- ..	partment. Additional police force for Anantagiri Sana- ..	1,445	..	1,445
59		do ..	torium ..	5,000	..	5,000
60		do ..	Expenses in connection with undesirable Arabs ..	19,698	..	19,698
61		do ..	Additional staff, etc. ..	..	3,960	3,960
62		do ..	Allowances to Sawars of mounted police ..	21,809	23,000	44,809
		do ..	Dominion Transport Authority ..	..	22,750	22,750
			Total ..	3,37,249	2,28,792	5,66,041
63	23-Education	Under D.P.I.'s ..	Control. Expansion and creation of Primary and Secondary ..	16,60,893	3,35,700	19,96,593
64		do ..	Schools, etc. ..	7,260	7,500	14,760
65		do ..	Agricultural Schools ..	50,000	75,000	1,25,000
66		do ..	Adult Education Scheme ..	1,14,289	..	1,14,289
67		do ..	Training expenses of men and women teachers (10 years Schen.e) ..	..	61,000	61,000
68		do ..	Aboriginal Tribes Education Scheme ..	10,00,000	..	10,00,000
69		do ..	Compulsory Education ..	1,40,000	..	1,40,000
			Riyayati Scholarships ..	..	..	..
			Total ..	29,72,442	4,79,200	34,51,642
69		Under Scholarship ..	Committee. Foreign Scholarships ..	30,00,000	..	30,00,000
70		Osmania ..	University. Reorganization, University College ..	1,34,877	2,48,735	3,78,612
71		do ..	Reorganization of Intermediate Colleges ..	1,17,119	1,31,740	2,48,859
72		do ..	Additional establishment for Women's College ..	1,23,128	1,15,220	2,38,348
73		do ..	Additional establishment for Girls' Intermediate ..	18,393	20,160	38,553
			College, Nampally ..	..	..	..
			Total ..	3,93,517	5,10,855	9,04,372
74		Nizam College and ..	Madrassa-i-Aliya. Additional establishment, Nizam College ..	12,503	15,584	28,087
75		do ..	Reorganization of Madrassa-i-Aliya ..	75,000	1,00,000	1,75,000
			Total ..	87,503	1,15,584	2,03,087

APPENDIX (L)

Statement showing New Items of Expenditure for 1356 Fasli—(contd.)

Serial No.	Major Head	Department	Items	AMOUNT		
				Recurring	Non-recurring	Total
1	2	3	4	5	6	7
76	23—Education (contd.)	Asafia Library ..	Reorganization of Asafia Library ..	19,202	8,120	27,322
77		Industrial Schools ..	Expansion and creation of industrial schools ..	6,63,339	10,08,850	16,72,189
78		do ..	Passage, etc., for Mr. Preston ..	..	3,040	3,040
79		do ..	Reorganization of Industrial schools (Aurangabad and Warangal) ..	..	27,500	27,500
80		do ..	Shorthand Course in Commercial School ..	5,720	..	5,720
81		do ..	Purchase of furniture for Agricultural School ..	..	26,420	26,420
82		do ..	Scholarships for Commercial School ..	..	5,016	5,016
				6,69,059	10,70,826	17,39,885
			Total 23—Education ..	71,41,723	21,84,585	93,26,308
			Deduct Probable Savings ..	25,78,843	..	25,78,843
				45,62,880	21,84,585	67,47,465
88	24—Medical and Public Health.	Unani.. ..	For purchase of apparatus ..	..	1,288	1,288
84		Allopathic ..	Additional lighting charges for Osmania Hospital ..	2,560	..	2,560
85		do ..	Additional provision for Contingencies under Directorate ..	..	6,271	6,271
86		do ..	Training School expenses ..	..	3,000	3,000
87		do ..	Additional nurses and ward boys and beddings in various hospitals ..	2,50,000	1,50,000	4,00,000
88		do ..	Scheme for medical registration ..	6,841	750	7,591
89		do ..	Leave reserve of compounders ..	11,599	..	11,599
90		do ..	Additional clerks for district hospitals ..	11,947	..	11,947
91		do ..	do do taluqa do ..	33,760	..	33,760
92		do ..	Revision of scale of laboratory boys ..	15,106	..	15,106
93		do ..	Allowance for hon : specialists in Osmania General Hospital ..	2,400	..	2,400
94		do ..	Training charges of nurses ..	56,000	..	56,000
95		do ..	Opening of Leprosy Centres, etc., in districts ..	86,106	25,000	1,11,106
96		do ..	Additional establishment for Directorate. ..	4,520	..	4,520
97		do ..	Additional expenses for Contagious Diseases Hospitals ..	51,647	..	51,647
98		do ..	Payment of past bills for medicines ..	..	1,23,000	1,23,000
99		do ..	New dispensaries for ear, nose and throat diseases. ..	1,25,000	75,000	2,00,000
			Total ..	6,57,486	3,84,309	10,41,795
100	25—Religious ..	Religious Department	Lighting arrangements, Harman-e-Sharifain. ..	..	B.G. 2,85,600 Ex. 47,600	..
			Total ..	..	O.S. 3,33,200	2,33,200
101	26—Agriculture ..	Agriculture Department.	Expenses in connection with purchase of tractors ..	1,50,000	7,72,975	9,22,975
102	27—Veterinary ..	Veterinary Dept.	Veterinary Investigation scheme ..	B.G. 1,516 (½ cost will be borne by the Imperial Council of Agricultural Research).	..	B.G. 758 or O.S. 885
103	28—Miscellaneous & Minor Depts.	Archæological Department.	Compensation for land, near the Bahmani Tombs, Bidar. ..	..	16,063	16,063
104		do ..	Extra provision for excavation ..	..	5,000	5,000
105		do ..	Excavation work, Kondapur ..	..	25,000	25,000
106		do ..	Purchase of furniture, etc. ..	..	2,075	2,075
			Total ..	..	48,138	48,138
107	30—Municipalities and Public Improvements.	do	Lumpsum provision for subvention to Secunderabad contonment ..	9,91,667	..	9,91,667
108	34—Electricity ..	District Power House	Survey charges ..	..	5,000	5,000
109	36—Printing ..	Government Central Press.	Purchase of raw materials ..	..	25,000	25,000
110		do ..	Over-time allowance ..	12,000	..	12,000
			Total ..	12,000	25,000	37,000

APPENDIX (L)

Statement showing New Items of Expenditure for 1356 Fasli—(concl'd.)

Serial No.	Major Head	Department	Items	AMOUNT		
				Recurring	Non-recurring	Total
1	2	3	4	5	6	7
111	38. Industries ..	Commerce & Industries Dept.	Provision for Industrial Engineering Section of Director, Commerce & Industries' Office ..	2,00,000	..	2,00,000
112		do ..	Expansion of V. I. T. C. at Mushirabad ..			
113		do ..	Reorganization of Cottage Industries Sales Depot.			
114		do ..	Textile Engineering	9,882	2,500	12,382
115		do ..	Handloom Industries	2,92,115	3,42,860	6,34,975
			Total ..	5,01,997	3,45,360	8,47,357
116	41. Miscellaneous..	Miscellaneous ..	House Rent to Low-Paid Government Servants ..	3,00,000	..	3,00,000
117	44. Cultural Co-operation.	Commerce and Industries.	Grant to Bangalore Institute of Science ..	O.S. 8,167	..	8,167
118		Finance Department.	Lumpsum provision for fresh grants in 1356 F. .	..	10,00,000	10,00,000
			Total ..	8,167	10,00,000	10,08,167
119	40. Supply and Control.	Supply Secretariat & Directorate.	Additional establishment and house rent, etc.	48,765	..	48,765
120		Rationing Department.	Revised Scheme, for City and Atrai-Balda ..	5,00,665	..	5,00,665
121		do ..	Secunderabad Rationing Scheme	1,06,252	..	1,06,252
122		do ..	District Rationing Schemes	1,59,843	..	1,59,843
123		do ..	Lumpsum provision for rationing schemes in urban areas .. ..	..	7,50,000	7,50,000
			Total ..	8,15,525	7,50,000	15,65,525
			Grand Total ..	1,18,63,694	81,55,306	2,00,19,000

